

NEWS SUMMARY

**Gold at best ever; Equities off 1.3**

**Equities** closed 1.3 per cent lower at 513.5, despite the day's best of 2.5 down, although the loss was disappointment about the trade figures. Gold Mines Index improved 3.5 to 266.5, its highest since February 1976.

**GILTS:** Short-term gilts fell by up to 1 after a Government Securities Index rose 0.19 to 71.09.

**GOLD:** rose \$3 to \$244, the highest level ever reached in the U.S.

**Thorpe flies Geneva**

Jeremy Thorpe, former leader, flew to Geneva to his wife to attend a UN conference on racism and take a holiday. He was charged with conspiracy to murder Mr. Scott. Passports were rendered but magistrates said they could be returned at discretion of the police.

**VP setback**

Latest opinion poll shows support for the Scottish nationalists at its lowest since October 74 general election. A poll by System Three, given SNP only 18 per cent support and Labour (48) and Tory 7.

**rael relents**

Israel has shelved its controversial plan to establish new settlements on the West Bank until next month's summit meeting at Camp David.

**ack to Moscow**

Olga Onassis flew into Athens from Moscow to join her husband of two weeks, Sergei, but he was not at the airport to meet her and she said she was surprised at her daughter-in-law's visit.

**LO moves arms**

Liberation Organisation is moving its arms and ammunition from the area of Sunday's bomb blast in a block of flats housing several Palestinian groups, killing 96 people.

**ame change**

Rhodesia Herald, the country's white-owned newspaper, is dropping the word "Rhodesia" from its title starting today, pending Rhodesia's year-end change to the name Zimbabwe.

**ehran bomb**

A man was killed and 40 people hurt in a bomb blast at a restaurant in Tehran. No one has been held responsible for the attack, the latest incident in Iran's rising internal crisis.

**ngland win**

England went two up in the Test series when they beat New Zealand by an innings and 119 runs at Trent Bridge. New Zealand, needing 308 to make 190, were all out for 190.

**riefly...**

In Stonehouse, jailed former borough Minister, was "detained" in Lowestoft hospital after heart attack.

**Queen began her traditional holiday at Balmoral.** The Queen began her traditional holiday at Balmoral. The Queen began her traditional holiday at Balmoral.

**ctor Silvester, the dance band leader, died of a heart attack in Nice. He was 78.** The doctor Silvester, the dance band leader, died of a heart attack in Nice. He was 78.

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**ore than 80 per cent of UK fire casualties are caused in homes.** The fire casualties are caused in homes.

Government plans wide consultation on Chrysler deal

BY JOHN ELLIOTT AND ALAN PIKE

THE BIGGEST consultative exercise to examine a company merger is to be launched by the Government to help it decide its view on the proposed Peugeot-Citroen takeover of Chrysler's UK operations.

After a meeting last night between Mr. Eric Varley, Industry Secretary, and union leaders, the Government is to hold wide-ranging talks with all sections of the British car and motor components industry, including the State-owned BL, formerly British Leyland.

There are no firm signs of major trade union opposition, while both a Conservative Party spokesman on industry and the Motor Agents Association came out firmly in favour.

Ministers have been careful not to give any formal view on a situation beyond deploring the fact that Chrysler did not consult them earlier. But it seems that if Peugeot is prepared to give assurances about keeping plants open and maintaining jobs, the French company could inherit the existing Chrysler arrangements including the loans and grants that the Government has been making available since 1976.

The future of Chrysler's troubled Scottish plant at Linwood will be a key factor, and Mr. Bruce Millan, Scottish Secretary of State, who is on holiday, is likely to be asked to prepare a special report for the Cabinet.

This is because Ministers may have to decide whether to make approval of the merger conditional on guarantees that Linwood will be kept in business.

A senior Peugeot executive in Paris said yesterday that a British rejection of the takeover would scuttle the remainder of the French company's deal to take over all Chrysler's European operations involving Simca plants in France and Spain.

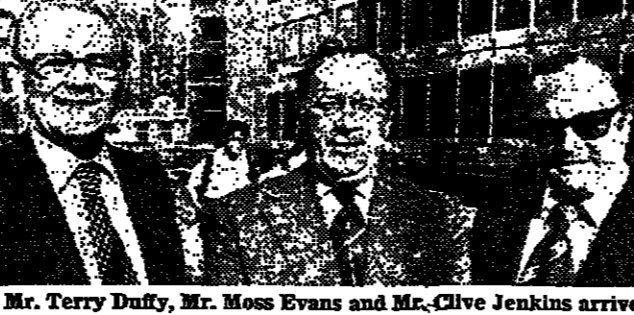
National leaders of the nine unions with members at Chrysler UK stressed that the protection of jobs was the paramount consideration when they met Mr. Varley yesterday.

There was no outright condemnation of the possible Peugeot-Citroen takeover from the officials, who are keeping their options open until more information is available.

Union leaders are asking their research staff to produce a detailed series of questions on the possible implications of the Chrysler takeover.

They hope they will have an opportunity of putting these at a meeting with Peugeot-Citroen and Chrysler directors to be arranged by Mr. Varley.

Mr. Moss Evans, general secretary of the Transport and General Workers' Union, who led yesterday's delegation, said the unions were embarking on a programme to obtain maximum information on the effects of the Peugeot-Citroen offer.



Mr. Terry Duffy, Mr. Moss Evans and Mr. Clive Jenkins arrive for the Chrysler talks.

Dollar hits new lows on Continent

By Peter Riddell

THE DOLLAR plunged by nearly 4 per cent against the Swiss franc at one stage yesterday, as the U.S. currency again touched record lows on the Continent.

The growing disenchantment with the dollar, as reflected in steady and sometimes sharp declines each day this month, has so far produced no overt signs of early action from either the U.S. or countries with strong currencies.

Mr. Nobuhiko Ushiba, the Japanese External Economic Affairs Minister, yesterday said that unless the U.S. took determined action to support the dollar's value, there was "little or nothing that other nations could do to calm the turmoil on international foreign exchange markets."

He hinted that if the U.S. changed its mind and became determined to help itself, then perhaps Japan could take some more effective action to stop the wild currency fluctuations.

Similarly, the Swiss National Bank said that no further measures to counteract upward pressure on the Swiss franc were imminent.

The dollar rallied slightly towards the close before the announcement by Texaco of a natural gas discovery, but the U.S. currency still closed well down against the D-mark at DM 1.9465, against DM 1.9677 previously, and at Y183.70 compared with Y185.55 on Friday.

Dealers reported that there was not a particularly large amount of business, but that the sharp falls reflected defensive marking down of rates in face of a virtual absence of demand for the dollar and only small-scale central bank intervention.

The weakness of the dollar was reflected in further rises in the gold price to record levels in the London bullion market.

The price per ounce climbed a further \$3 to \$214 at the close in London, with later advances in New York.

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£30m deficit on current account

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN'S current account swung back into deficit last month, continuing the monthly pattern this year of alternate surplus and deficit.

There was a \$42m deterioration in the current account in July for a deficit of £30m. The change was more than accounted for by a worsening in the balance on errata items, and by a sharp rise in crude oil imports from the exceptionally low June level.

The underlying trends remain unclear, though imports of industrial materials are much higher than expected, while export growth has been sluggish.

The publication of the figures made only a small impact on a strong performance by sterling yesterday, but there was a slight weakening in the latter afternoon against the main Continental currencies.

The trade-weighted index remained at its best of 62.7, up 0.1 on the day.

The pound closed 1.70 cents up at \$1.9810, slightly below the peak of \$1.9850, following a late rally in the dollar.

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BALANCE OF PAYMENTS  
6m seasonally adjusted

	Visible Invisibles	Current trade	Current account
1977 1st	-947	+454	-493
2nd	-744	+399	-345
3rd	+54	+483	+537
4th	+45	+441	+486
1978 1st	-574	+269	-305
2nd	-139	+360	-221
Jan.	-338	+90	-248
Feb.	+43	+89	+132
Mar.	-279	+90	-189
Apr.	+187	+120	+307
May	-218	+120	-90
June	-108	+120	-12
July	-150	+120	-30

Source: Department of Trade

into sustained deficit even though in the past three months the current account has been in deficit by £116m.

This compares with a surplus of £30m in the previous quarter which included the erratically good month of April.

The view in Whitehall—and among most independent forecasters—is tentatively more optimistic. This is partly because of an expected rise in North Sea oil production, and also because various business opinion and trends surveys point to a pick-up in the growth of export volume during the second half.

Export volume fell by 1 per cent on a three-month comparison, but the Department of Trade says that "the underlying trend is probably slightly upwards."

After excluding erratic items, the volume of exports of manufactured goods in the last three months was about 4 per cent higher than in the first half of last year, with a particularly good result in July.

The import side is more disappointing. The volume of imports of finished manufactured goods (excluding erratic items) was 12 per cent up on a three-month comparison, and nearly a fifth higher than in the average in the first half of last year.

But this increase is not out of line with the gloomy view of import penetration now taken in Whitehall, given the sharp growth of consumer spending in the UK this year.

The more surprising feature is the high level of purchases of industrial materials—up 7 per cent in volume on a three-month basis, with semi-manufactured goods 12 per cent higher.

This rise is much more than expected, and suggests that earlier hopes that the increase in such imports reflected temporary stockbuilding were mistaken and that the trend is longer-term.

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Chairman Hua embarks on official European visit

BY JOHN HOFFMAN

CHAIRMAN Hua Kuo Feng left Peking today on his first visit by a Chinese Communist Party leader to Europe.

The Chinese head of state is due to visit Romania, Yugoslavia and Iran in a string of official visits which will be viewed in Moscow as a direct challenge to the Soviet Union's claim to a dominating role in the area.

Chairman Hua was seen off at Beijing airport by a large party of his deputies and senior diplomats from Romania, Yugoslavia and Iran. His first stop was Bucharest.

The visit marks the emergence of China as a major factor in Balkan politics and growing Sino-Soviet tensions. It also follows the conclusion of a controversial friendship treaty between Peking and Japan, last weekend, which has already come under heavy fire from Moscow.

Leonid Brezhnev writes from Moscow: Mr. Hua, accompanied by Foreign Minister Mr. Huang Hua and two senior Politburo members, is returning the official visits paid to China by Romanian President Nicolae Ceausescu in May this year and by Marshal Tito of Yugoslavia, last September.

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Gas found off New Jersey

BY DAVID LASCELLES

U.S. EXPLORATION group Shell Oil and Conoco, reported by Texaco today announced an encouraging find of natural gas in a new drilling well in the Atlantic.

The find proves to be commercial, it would hold prospects for a large new energy source close to the dense industrial and residential areas of the east coast.

The discovery was made in the Delaware Canyon area about 10 miles off the coast of New Jersey, between New York and Washington. The wildcat well is about 1,400 feet below the seabed.

Although Texaco is being extremely cautious about the significance of its find, the news created much excitement because it is the first encouraging report on prospects in the Atlantic since drilling began there earlier this year. Two other companies, Conoco and Shell, are also exploring in the area.

Mr. Richard Palmer, Texaco's senior vice-president for exploration and production said the total extent of the discovery was not known and would not be known for several months. The company would drill several more wildcats before deciding whether to establish a production platform. That could take eight to 12 months.

To make the find commercial, it would have to yield 200m cubic feet a day. "The significance of this discovery is that it's the first indication that natural gas can flow from a reservoir off the eastern seaboard."

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The fact that Chairman Hua's visit to the Balkans also coincides with the 10th anniversary of the Soviet military intervention in Czechoslovakia, a further reason for the Soviet anger at Chinese meddling in East European affairs.

In contrast to the Kremlin, the Yugoslavs are clearly delighted not only with the visit itself, but also with the growing Chinese interest in the Yugoslav self-management system.

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## Widespread power cuts in Ireland

By Our Own Correspondent

DUBLIN, August 14.

A WORK-to-rule by 400 power-station workers in the Republic of Ireland today caused widespread power cuts throughout the country. The Electricity Supply Board (ESB) estimated that more than a third of the national grid was blacked out at some stage by the action.

The chairman of the Confederation of Irish Industry (CII) warned of the dangers to continuous process plants and to industries dealing with perishable goods, such as dairy products.

Some power cuts lasted for up to seven hours and work came to a standstill in many workshops and small factories. The effectiveness of the work-to-rule led to a call from the Opposition spokesmen on labour for an investigation into ESB administration. He also called on the workers to end their action.

This call was echoed by Mr. Liam Connelan, CII chairman, who said that the national wage agreement procedures appeared not to have been followed by the workers. He expressed puzzlement that a further meeting to discuss such a damaging dispute is not due to be held until Wednesday. Mr. Connelan refused to comment on the question of further damage to Ireland's image abroad as a country where public services were unreliable.

He added that the loss of production involved could cause the closure of some companies. The ESB services have been hit by a dispute involving 150 technicians in Dublin. Today the men extended the dispute by calling out all the members of their branch, but they say they will return to work tomorrow and wait for the outcome of a meeting on Thursday.

The dispute is apparently in protest at delays in settling a national productivity deal between the Post Office and the engineering union, although there were earlier reports that it involved a local allowance.

This new development has led to fears that the country may soon face a resumption of the national engineers' strike unless there is an early breakthrough in the stalled talks between the union and the Post Office.

**Statford strike over**  
Work returned to normal at the Norwegian Statford A oil rig in the North Sea yesterday after last week's "smoking strike" which reportedly cost the Brownaker offshore contractor and operators, Mobil and Statoil companies, some Nkr 30m (\$5.7m). In losses, AP-DJ reports from Oslo.

## Hopes fade of forming government in Portugal

BY JIMMY BURNS

LISBON, August 14.

THERE WERE growing signs today that, unless Portugal's new Prime Minister, Sr. Alfredo Nobre de Costa succeeds in the delicate task of watering down Socialist opposition to his appointment, he will have little choice other than to abandon hopes of forming a viable government and will have to resign by the end of the week.

At the end of the week, the country would be plunged into one of its most serious political crises since the revolution of April 25, 1974. Hopes of winning over the Socialists dimmed today when both Sr. Mario Soares, the leader of the party, and Dr. Salgado Zenha, the leading Socialist parliamentary spokesman, failed to attend a crucial meeting called by the Prime Minister.

Instead, Sr. da Costa was visited by a low-key delegation from the party's national council. This contrasted sharply with the attendance, only an hour earlier, of Dr. Freitas do Amaral and Sr. Amaro da Costa, the president and vice-president respectively of the conservative Christian Democrat Party (CDS).

Following the meeting with Sr. da Costa, a spokesman for the Socialist delegation said that his party's position had not changed. He added that his party would now consider a request from the Prime Minister to continue talks tomorrow.

The Socialist Party 'view was expressed in no uncertain terms by Sr. Soares yesterday when he stated that neither he nor any of his fellow party members were prepared to participate in a presidentially-backed government unless this was led by a Socialist.

Sr. Soares's intransigence appears to have spread to other leading Socialists, such as Dr. Vitor Constancio, the able former Minister of Finance, who was asked by Sr. da Costa to join his government in an individual capacity.

The (CDS), who until earlier this month shared government with the Socialists, while openly supporting the appointment of Sr. da Costa have now declared that any government that lacked a Socialist participation would not be viable.

Meanwhile, the right-wing Social Democrat Party (PSD), Portugal's second major parliamentary party after the Socialists, have asked that Sr. da Costa base his new government on an alliance between the PSD and the CDS.

While attitudes struck by the Socialists and the PSD become increasingly aggressive, the Communist Party has maintained a low profile throughout the crisis.

The leading pro-Communist newspaper O Diaro, today was the only one which ignored the political crisis on its front page, giving extensive coverage instead to two days of reckless Portuguese driving.

## Sweden's jobless total up in July

UNEMPLOYMENT in Sweden during July totalled 97,000. This was 6,000 more than in June and 23,000 more than in July last year, according to the Central Bureau of Statistics, writes our Stockholm correspondent. The level stands at 2.2 per cent of the workforce.

The biggest increase of joblessness is among the 16 to 24 age bracket and includes a large number of school-leavers. Some 48,000 in the 16-24 age group were out of work in July compared with 39,000 in June. Worst hit sector is the forest industry in the North, where the unemployment level is slightly above 5 per cent.

**Swiss unemployment**

ONLY 7,627 people were registered as unemployed with Swiss labour exchanges at the end of last month a drop of 9.6 per cent compared with four weeks earlier and 12.6 per cent down on the end of July, 1977, writes our Zurich correspondent. This means that only 0.2 per cent of the country's labour force is out of work. The figure is lower than that of 3,395 registered situations vacant.

**Tax moves opposed**

The Swiss National Bank is opposed to the introduction of a turnover tax on foreign exchange trading, as well as to the subjecting of fiduciary deposits and foreign bond issues to withholding tax, writes our Zurich correspondent. This is stated by Dr. Fritz Leutwiler, president of the Bank, in an interview with the Zurich newspaper Tages-Anzeiger. Dr. Leutwiler said the Bank had been asked by the Finance Minister for its opinion on the three possible measures. As reasons for its opposition he gave the risk of business being lost to Swiss banking and the fact that no real fiscal advantage could be forecast for the confederation.

**GRAPO protest**

Prison officials said yesterday that 24 suspected ultra-left guerrillas were determined to continue a week-long hunger strike in the jail in Soria in northern Spain, Reuters reports. The prisoners are all members of GRAPO, which has been held responsible for many bombings and shootings during the past two years.

**KLM reviews service**

KLM Royal Dutch Airlines is considering extending its Triple F—full-fare facility—service into a complete three-class fare system, writes our Amsterdam correspondent. The development of special reduced tariffs, such as excursion, inclusive tour and standby fares, appears to be leading inevitably to a return to a three-class system, the airline said.

## THE MIDDLE EAST

### Gulf fund to cover Egypt's payments deficit for 1978

BY OUR OWN CORRESPONDENT

CAIRO, August 14.

THE GULF ORGANISATION for the Development of Egypt (GODE)—the development fund set up two years ago by Saudi Arabia, Kuwait, the United Arab Emirates and Qatar—to fund Egypt's development—has agreed to provide sufficient support to allow Egypt to cover this year's estimated \$250m current account deficit.

The agreement emerged from talks late last month in Kuwait between GODE's governor, the Kuwaiti Finance and Oil Minister, Mr. Abdel-Rahman al-Atiqi, and an Egyptian delegation led by the Minister of Economy, Mr. Hamed al-Sayeh. It relieved Egyptian fears that GODE was not going to be as co-operative as it had hoped.

The fund's \$2bn capital and the interest accrued on it will remain with Egypt for the remaining 23 years of GODE's life. The loans, which are for ten years with a three-year grace period and bear interest of 5 per cent, are likely to be rolled over. It was within this framework that the present agreement was worked out.

Egypt is drawing the last \$100m of the original \$250m and has received \$100m it has paid in interest. GODE has also agreed to underwrite short term loans to the value of next year's interest payments, which total \$150m. Egyptian officials confidently expect to use only \$50m of this facility or slightly less.

The agreement is satisfactory from all points of view: GODE has signalled politely that it does not have an open-ended commitment to Egypt while for Egypt the deferment of interest payment and the rolling over of the loans offers a growing source of development funds. The money must now be ploughed into development projects—the original object of GODE—which was sidetracked by last year's balance of payments crisis—if the capital is to earn a return to provide funds for further development.

The GODE agreement not only settles Egypt's current account to the end of the year which also dovetails with a number of recent developments.

The Government is following the terms of the IMF agreement for a SDR600m three-year extended facility credit which came into force last month. Under it, Egypt will be able to draw SDR250m for the first year and SDR150m for the remaining two years. The first SDR125m tranche for the six months to the end of the year has been

very useful in plugging this year's payments deficit.

Egypt has already lifted price controls or subsidies on all but 25 essential goods and services, as the IMF required, and has raised the central bank discount rate a percentage point to 8 per cent. Interest rates will probably go up again before the end of the year.

Floating the Egyptian pound by the end of the year, as Egypt is also committed to do, may prove more difficult. In return the IMF made a major concession by allowing Egypt 15 months to cut subsidies by E£150m, which should have been cut by now.

But there are still dangers—even if the economy is virtually on course. Inflation—never a particularly easy indicator to establish with a well entrenched subsidy system—is probably running at 30 per cent. The authorities are having to take a tight hold of the domestic situation with rising discontent at the deteriorating state of services and a highly acute housing shortage.

It will be another year or two before the massive U.S. and other international aid organisations' utility improvement programmes begin to make an impact.

There has been very little movement on real administrative reform. It remains to be seen whether President Sadat's decision to form his own party will galvanise the bureaucracy, but the chances seem slim. Until a decisive change is made in this field, no one will really believe that the days of the Nasserist bureaucratic regime are over.

A new tax law is not helping confidence either with its strong political slant against the rich, and failure to create the conditions to attract capital investment. It is not, in draft form, the kind of law that is going to encourage citizens to be law abiding the lack of a true rule of applicable law is a major handicap to the policy of attracting foreign and local private investment.

Running Egypt's economy is as difficult as driving an ancient Cairo bus. But barring another major cash crisis, as happened in April, and provided the authorities keep a careful watch on prices, the internal situation should be manageable. The confidence in the economy which took a knock when Mr. Abdul Movem Kaisouny, the economic supremo, left the Government, seems to be returning again.

### Settlement moves delayed by Israel

By L. Daniel

JERUSALEM, August 14.

THE ISRAELI Government will not proceed with any preparations in connection with the five military settlements in the West Bank before the Camp David summit on September 5.

Their establishment had been agreed in principle at a meeting of the ministerial defence committee on June 29, before President Carter invited Mr. Menahem Begin, the Israeli Prime Minister, and President Sadat of Egypt to the Camp David meeting.

In view of the efforts to bring about a revival of the Egyptian-Israeli negotiations, Professor Yigael Yadin, the Deputy Premier and head of the Democratic Movement for Change (DMC), reserved the right to bring the whole question before the Cabinet. He did so today, when he presided over the weekly meeting in the absence on holiday of Mr. Begin.

Also on short leave are Mr. Ezer Weizman, the Defence Minister, and, more significantly, Mr. Ariel Sharon, the Agriculture Minister who, in his capacity as chairman of the inter-ministerial settlement committee has tried to put pressure on the Government to establish more settlements both in northern settlements both in Bank.

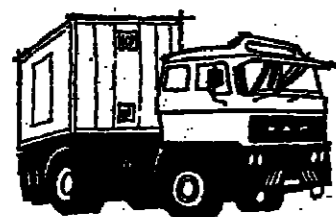
Official confirmation yesterday of the agreement in principle on the settlements has already raised a storm of protest inside and outside Israel. The whole question—and not only the suspension of preparations until after Camp David—is to be brought before the full Cabinet on Sunday with the return from holiday of the Prime Minister.

Professor Yadin is under strong fire from his own party. Not that the DMC—nor for that matter the Labour Party—is opposed to new settlements along the Jordan River. A cordons sanitaire in the Jordan Valley, and thus a continued Israeli presence on this strategic line, is a basic tenet of the Labour and DMC platforms, alongside their willingness for territorial compromise in the West Bank. But both parties feel that this is not the time to arouse the wrath of President Carter, and strengthen those in the Arab world who maintain that Israel does not want peace but territory, by setting up new outposts.

Most of a Lebanese task force sent by the Beirut Government to take over the southern border sector has withdrawn without having penetrated the area. Christian militiamen and a United Nations officer told Reuters today in Metullah, Israel.

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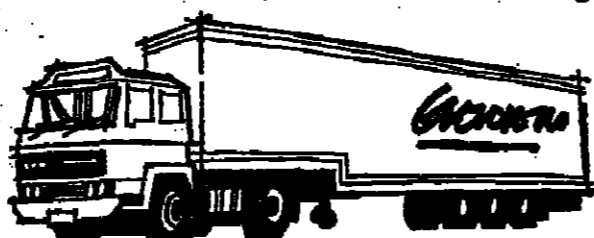
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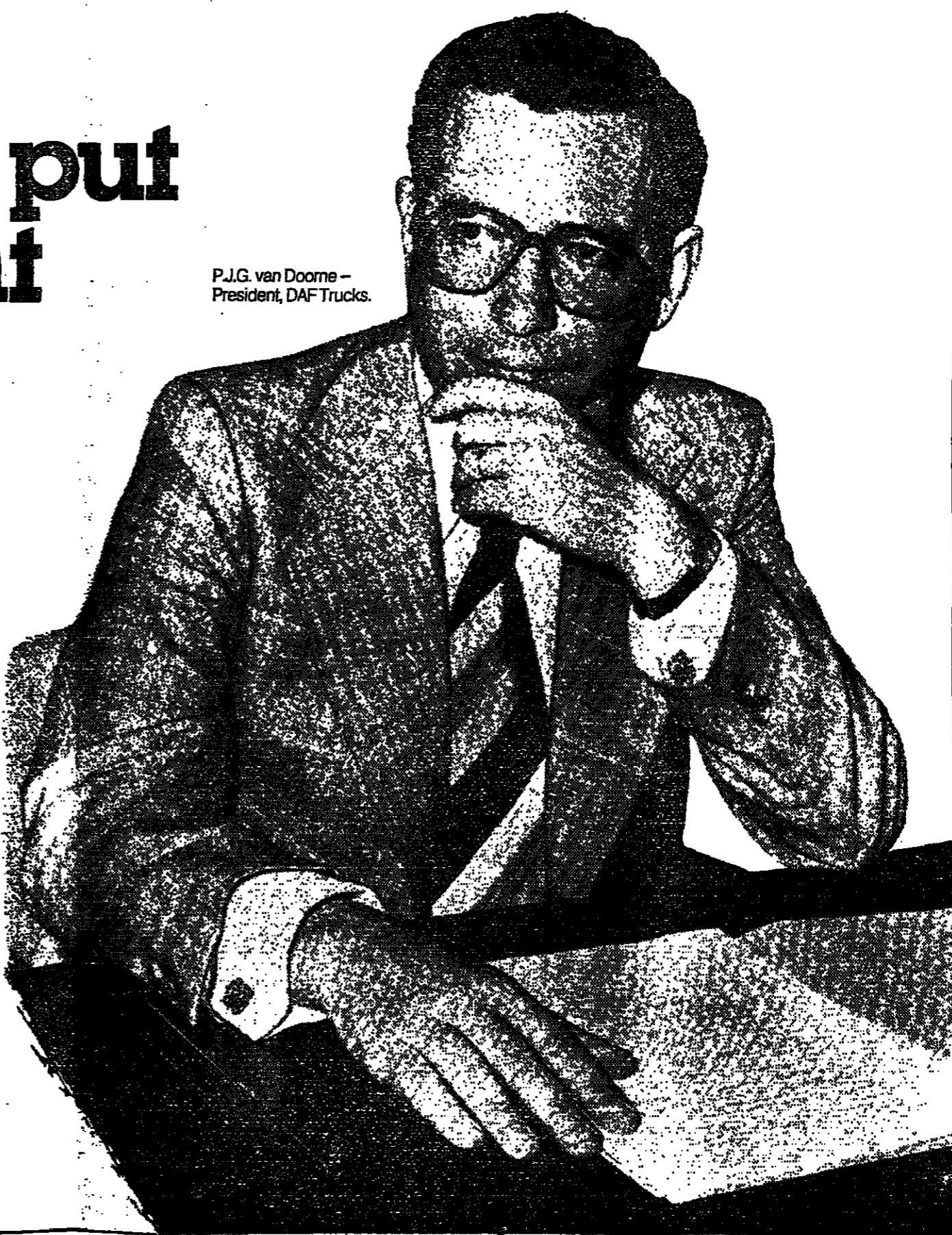
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## WORLD TRADE NEWS

## Dell calls on industry to exploit Chinese market

BY LORNE EARLING

CHINA'S LEADERS have agreed to trade with Britain should economic substantially and it is up to British industry to exploit the market, Mr. Dell, Secretary of State for Trade, said yesterday on his return from a week-long visit.

He said it was clear from his discussions that the leadership had instructed the Chinese industrial ministries that trade with Britain was important and it had been accepted by them.

Mr. Dell said he had suggested that the Chinese should increase in bilateral trade the next few years, and they had thought this might even exceed.

"I am convinced that the opportunities are there and it is up to British industry to see that they are exploited," Mr. Dell said. He hoped that the senior industrialists who accompanied him on the trip would bring this message home to their respective industries.

On the question of how China would finance its planned development, Mr. Dell said he did not believe this could be achieved without accepting foreign loans, but if this happened China would keep its indebtedness well within its ability to finance.

"What they can finance depends on what they can export and they will be looking for export markets, probably for oil, coal and other raw materials," he said.

Although, he said the Chinese were prepared to consider credit, Mr. Dell repeated his belief that they would not accept either Government or Government loans or joint ventures in China. He did not rule out their use of the Eurocurrency market.

Mr. Dell suggested that Japan was the best country to trade with, but that it was outside the limits agreed by industrial countries. He was being investigated, he added. Nevertheless, it was the

## Protection deplored by IMF

By David Buchanan

WASHINGTON, August 14.

INDUSTRIALISED COUNTRIES resorted more frequently to protectionist trade measures, including anti-dumping and countervailing duties and quotas on imports, during 1977 and in early 1978, according to the International Monetary Fund's annual report on exchange restrictions, published today.

To combat these protectionist pressures, caused in large part by the "disappointingly slow recovery of the world economy" and continuing high unemployment in certain key sectors, the IMF survey stresses the need for a successful conclusion to the multilateral trade talks now in progress under the General Agreement on Tariffs and Trade.

The Fund says that anti-dumping and countervailing duties retard trade.

They also tend to hold up agreements, principally between the U.S. and Europe and Japan.

The survey singles out quantitative limits imposed by the EEC on textiles, by the UK on television sets and clothing, by the U.S. on steel, and by Canada on textiles and shoes.

By contrast, the report says, restrictions in a number of non-EEC European countries have been eased, with Norway and Sweden waiving licensing on some textile imports, Iceland lifting controls on TV sets.

While the IMF commends the EEC for adding a number of tropical products to its concessionary generalised system of preferences, it notes that the U.S. granted duty-free treatment to a further 121 items under the system, but withdrew 115 others.

The IMF remarks that "a particularly disturbing feature" is the growing number of countries which are delaying payments for imports. In the period covered by the survey, Turkey, Sudan, Jamaica, Ghana and Guyana fell behind on their import payments, while the situation in Zambia and Zaire, already in arrears on payments, became worse.

## Japanese officials cast doubts on emergency imports plan

BY ROBERT WOOD

TOKYO, August 14.

JAPANESE OFFICIALS said today that the plan of the Minister of International Trade and Industry, Mr. Toshio Komoto, to seek \$12.5bn in emergency imports this year has not been discussed extensively with other Ministries or with private companies whose participation would be required.

Mr. Komoto told reporters on Saturday that he and Economic Planning Agency Director, Mr. Kichiji Miyazawa, had agreed to the plan. But a Transport Ministry official today described part of the proposal as "unimaginable and impossible."

Mr. Komoto had suggested that Japanese shipping companies begin to charter a fleet of convenience vessels in the first place.

Other emergency imports face similar problems although many will be directly supervised by Mr. Komoto's Ministry. Even proposals that Mr. Komoto's men will supervise such as plans to buy foreign aircraft and industrial equipment for leasing to developing countries will require approval of the Finance Ministry if they involve Government subsidies.

Often, other agencies such as the Export-Import Bank, must give approval as well.

Even when no other agencies

approval is required, it is not clear that Mr. Komoto's plans are practical. A Ministry of International Trade and Industry official dealing with the electric power industry said officials had conveyed to the industry Mr. Komoto's wishes that they accelerate imports of \$4bn worth of fuels this year. But the official said the companies had not yet indicated whether or not they considered it possible.

The electric power industry is extremely sensitive to Ministry pressure because Japan is now debating appropriate power rates. However, lower level officials will not press for accelerated purchases in an amount greater than they believe is practical.

A British trade mission will be directly supervised by Mr. Komoto's Ministry. Even proposals that Mr. Komoto's men will supervise such as plans to buy foreign aircraft and industrial equipment for leasing to developing countries will require approval of the Finance Ministry if they involve Government subsidies.

Often, other agencies such as the Export-Import Bank, must give approval as well.

Even when no other agencies

## Hong Kong deficit increases

By Anthony Rowley

HONG KONG, August 14.

DOMESTIC EXPORTS rose by 11 per cent in the first half of this year over the corresponding period of 1977, to reach HK\$17.47bn. Re-exports rose 29 per cent in the same period, to HK\$5.53bn.

First half imports were up by 21 per cent to HK\$28.28bn, leaving a visible trade deficit for the period of HK\$4.76bn as against a deficit of HK\$2.76bn in the first half of last year.

## Loan for Yugoslavia

Lloyds Bank has received a guarantee from the British Government's Export Credits Guarantee Department for a £963,050 loan to Privredna Banka Zagreb, of Yugoslavia, reports A.P.D. The loan will be used partially to finance the construction of a polyester shoe printing plant supplied by Simchem of Britain.

In another Yugoslav project, the last date for placing orders under an ECGD guaranteed £10m line of credit made available by Lloyds Bank to Investiciona Bank Titograd has been extended to October 31.

## Philippines credit

Switzerland has signed a transfer credit agreement with the Philippines for the financing of Swiss capital goods deliveries and services to a value of Sfr 120m, reports John Wicks from Zurich. The credit will be made available by a Swiss bank consortium and covered by federal export risk guarantees.

## Iranian gas for U.S.

The Department of Energy says it has received a joint application from Columbia LNG Corporation and Consolidated System LNG Company to import liquefied natural gas from Iran. Reuter reports from Washington. The project, which the agency said would require a total investment of \$2bn, would bring in 3m cubic feet of LNG a day.

## BCal adds to its DC-10 fleet

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN Airways, the independent flag airline, is buying another three DC-10 long-range, three-engine aircraft to add to its existing fleet of four aircraft. In addition, the airline is chartering a Boeing 747 jumbo jet from Lingus to help it provide scheduled equipment on its route to London. The cost of the DC-10s will be £70m including spares. They will be delivered from the spring of 1980 over the ensuing months.

British Caledonian currently operates two long-range DC-10s on its routes to West Africa and America. It already has 10 on order for delivery in 1979, owing to industrial troubles at the manufacturing plant, McDonnell Douglas in Long Beach, California earlier this

year, deliveries of DC-10s have been delayed by several months. So British Caledonian is chartering the 747 to enable it to keep its schedule. The airline is chartering a Boeing 747 jumbo jet from Lingus to help it provide scheduled equipment on its route to London. The cost of the DC-10s will be £70m including spares. They will be delivered from the spring of 1980 over the ensuing months.

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son, the director of commercial sales for the Douglas Aircraft division of McDonnell Douglas. Reuter adds from Long Beach: McDonnell Douglas has received a \$180m contract from Pacific Southwest Airlines for 10 DC-10 jets.

The San Diego-based carrier will be the first U.S. airline to introduce the twin-engine aircraft in commercial service. The aircraft will be powered by Pratt and Whitney engines.

Philippine Airlines said it signed an agreement to buy three Boeing 747s for about \$200m. The first aircraft will be delivered in January 1980 and the other two in February. The airline had also taken an option to purchase a fourth 747 for delivery in the first quarter of 1981.

## India may pick Jaguar

BY K. K. SHARMA

NEW DELHI, August 14.

THE chances of India opting for Jaguar and the French Mirage, the British Jaguar to meet its needs for a deep penetration fighter to replace the Indian air force's ageing Canberras and other fighters have improved greatly. The Jaguar's recommendation has now been considered by the Cabinet. The deal involves several hundred million pounds since the Government plans to buy 40 aircraft initially. It will also seek a licence to build the aircraft in India and detailed discussions have been held with all parties on this.

Manufacture of the aircraft in India will depend on the willingness of the party concerned to "buy back" components for use in its parent plants or for sale elsewhere.

## East-West trade sluggish

BY ROGER BOYES

LEADING experts on East-West economic affairs predict that the East-West trade will be sluggish throughout 1978 and 1979, and will grow at most 1 to 2 per cent in real terms.

Dr. Jan Stankovsky of the Austrian Institute for Economic Research writes in the recently published book "East-West trade 1978" that although political tensions could give rise to extra factors, the desire to reduce the growth of debts with the West, high Soviet cereal imports and a worsening of the sales conditions for East Bloc products on Western markets has placed a substantial brake on the development of trade between the East and the West.

A considerable part of the estimated 1 to 2 per cent trade growth will, Dr. Stankovsky believes, be taken up by U.S. cereal deliveries which should amount to 2 to 3m tons.

Dr. Stankovsky's report echoes earlier U.S. estimates in maintaining that the future prospects for Western exports to Czechoslovakia were relatively favourable. Western exports to Czechoslovakia rose in 1975 and 1976, stabilised last year and looked set to play a key part in the country's economy this year.

By contrast, Poland will probably be compelled to cut back imports in 1978 because of its balance of payments problems. Although internal political tensions could give rise to extra consumer goods imports outside the Plan, East Germany too may be looking outside its Plan requirements this year for consumer goods to appease dissatisfied shoppers at home.

In real terms, imports from the Eastern Bloc by the West will grow at just over 4 per cent—that is somewhat stronger than in 1976 but noticeably weaker than in 1977, Dr. Stankovsky concludes. The East-West trade balance, which in 1977 was in surplus for the West by about \$3.5bn should remain in surplus by about \$3bn.

## Brazil, Mexico iron ore project

BY DIANA SMITH

RIO DE JANEIRO, August 14.

BRAZIL's Companhia Vale do Rio Doce (CVRD), the state-mining conglomerate, and the Altos shareholding—if it is set up in Honduras De Mexico, the Mexican steel company, have agreed to make a joint feasibility study for an iron ore pelletising unit. The new proposal follows a study to be set up either in Brazil or series of joint ventures. CVRD has formed with foreign steel companies to produce pellets by the end of this year, if the iron ore

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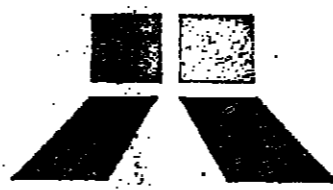
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JULY 10, 1978











## The Management Page

EDITED BY CHRISTOPHER LORENZ

## Shortening the odds in a big research gamble

By DAVID FISHLOCK

ATIONAL GOVERNMENTS nowadays exert tremendous pressures on multinational companies to locate new manufacturing facilities within their boundaries. Less well publicised since it is concerned more with national prestige than employment—is the pressure to locate research on one nation's oil rather than another's.

But it is there nonetheless, says Mr. Harry Beckers, group research co-ordinator of Royal Dutch Shell and chairman of Shell Research. What is more, it is in conflict sharply with the aims of research management: to increase efficiency by grouping its key specialities together in big research centres.

Last year the Shell group spent £178m on research and development. In the early 1970s group research was concentrated into four laboratories, one each in the UK and in Holland; and in the interests of efficiency this is the way Beckers still wants it. But he has already had to compromise by spending some central funds on the research centres of operating companies in Canada, France, W. Germany and Japan.

And he foresees pressures to locate new research areas—in example coal conversion, currently based in Holland, in a country with abundant cheap coal.

Beckers, a big, burly Dutchman of 46, with a highly engaging grin, finds this enthusiasm of authorities to interfere with the research process frankly depressing. "Research is a gamble—but most people forget that," he has no doubt that the insensitivity of governments to the chances of research management is stifling innovation all over the world.

For Shell, his appointment last autumn heralded a return to the pattern of the 1960s, when its research effort was co-ordinated by a scientist rather than a businessman. A physicist at the Technical University at Delft, he has spent his career with Shell, initially in research, then in the early 1970s managing corporate planning at the Shell Centre in London. His last job was head of organisation—in effect troubleshooter for the committee of managing directors.

The dual experience is faithfully reflected in his thoughts about management of research for Shell. Its overriding attraction is a sector with the long lead-times of the energy business. He means of synthesising complex substances, and its low demands for energy—low temperatures, pressures, etc. But which areas should Shell try to exploit?

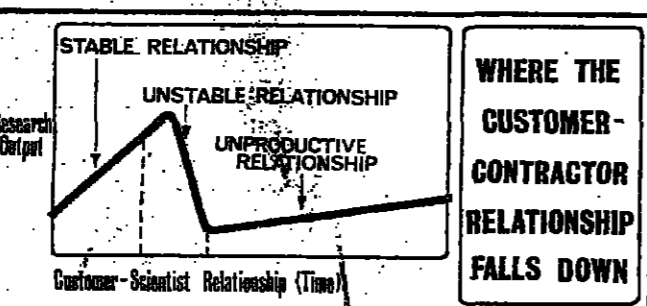
Should it go for "energy cropping"—the cultivation of crops specifically for their potential as sources of fuel or feedstock? Ironically enough, this line of research is the confluence this pressure on his research programme with "top-down" decisions, by pressing of Shell's former research



Harry Beckers: "Research is a gamble—but most people forget that."

the business centres of Shell to chiefs. Professor John Cornstate where they think their businesses are heading. "Is oil sex, to help him answer this question. But the mistake, Beckers believes, would be for Shell to gamble everything on a single idea at this very early stage in exploitation of the biosciences. It is too early to try to anticipate all the problems. Who in the 1960s would have expected governments in a world facing increasing shortage of protein to prove so unsympathetic towards protein-from-oil once the process reached the market?

Beckers takes no satisfaction whatever from the troubles of British Petroleum with its protein-from-oil technology, and the abandoning this summer of a £40m joint venture in Italy. "It makes our own decisions harder," he admits wryly. Shell's scientists at Sittingbourne were developing a process for manufacturing protein from natural gas, but abandoned it at the point of major investment in the mid-1970s. Feedstock prices had soared but soya costs were falling, and there was wide spread public concern about the toxic risks of synthetic products. But Shell Research still retains great confidence in the



biosciences generally as a future source of major new business built management of research for Shell. Its overriding attraction is a sector with the long lead-times of the energy business. He means of synthesising complex substances, and its low demands for energy—low temperatures, pressures, etc. But which areas should Shell try to exploit?

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commercialisation in the 1980s, to one of the most promising experiments in thermoelectric fusion, from which Shell nevertheless can expect no commercial return for at least 20 years.

Beckers has no doubts about the future importance of nuclear energy. He believes that Shell took the right decision on the basis of information available in 1973-74. "I have seen the analysis—I think it was done the right way."

Even so, Beckers is looking hard at the lessons of the nuclear venture to guide Shell in taking big investment decisions in coal conversion. Armed with very large coal resources, the company is close to commissioning a demonstration plant in Germany of a new process for converting coal into a chemical feedstock gas. The technology, developed jointly by Shell Research and Koppers, has already been demonstrated at pilot-plant scale in Amsterdam. Deutsche Shell has funded the demonstration project, in the belief that Shell Research also has the catalysis technology needed to convert that synthesis gas to a liquid chemical feedstock. Altogether the Shell group has committed DM 100m (about £25m) to the German demonstration.

But for the next step, the first commercial-scale coal conversion plant, Shell will be looking for a Government commitment to help safeguard an investment which could well run into nine figures. The sponsor could be the EEC Commission, the U.S. Department of Energy, perhaps even the UK or Dutch Government if it has enough confidence in coal as a replacement for oil.

Lord Rothschild who, as head of the Cabinet Office "think-tank," made famous the customer-contractor principle for managing research, worked out the basic idea for industrial research as Shell's group research co-ordinator during the 1960s. Today the customer-contractor relationship is securely established between Shell's scientists and its business centres. Beckers, while wholeheartedly endorsing the principle, warns nevertheless of a danger pointed out by a fellow Dutchman, the technical chief of Philips.

The danger is summarised in the accompanying graph showing how a company's research output can fluctuate as the customer-contractor relationship matures. At first research output grows rapidly as the scientists are encouraged to direct their research more in line with business objectives, and the business sectors gain more influence on the development of the scientists' careers. The challenge is to keep this relationship in balance, maintaining both innovation and the bias towards company interest.

The danger point comes at the peak of the curve when the customer has become too influential and the scientist loses his independence. Innovation then declines sharply to a very low level. When it picks up again it is on the basis of a new relationship, with the customer in the dominant role and the research more akin to a technical service solving his day-to-day problems. How far has Shell Research developed in its relationship with its business sectors? Says Harry Beckers disarmingly: "The only thing I'll admit is that I'm fighting hard not to fall off that curve."

JUST BEFORE the holiday season got under way in earnest a new law was passed giving the French co-operative movement a major new boost.

The law, which completed its passage on July 1, governs the operations of "industrial" or "workers" co-ops. It provides further evidence that, as in the UK, much greater attention is now being paid to these enterprises.

The immediate issue which prompted the first expression of Government concern was a submission by these French co-ops that the interests of their members had been overlooked in the drafting of the country's profit sharing and employee share ownership legislation, which became law at the end of 1973.

That defect has now been remedied. From now on the purchase of shares by those working in French co-ops will be tax deductible on broadly the same conditions and up to the same limits as apply in private industry.

But the July 1 law contains additional clauses which go well beyond the straightforward business of rectifying that anomaly. Obviously the French industrial co-ops, which are linked together in the Confederation des Sociétés Co-opératives Ouvrières de Production (SCOOP), have not secured, in the new law, all the changes that they would have wished.

Apart from rectifying that employee share ownership anomaly, the new law should result over time in a significant strengthening of the average membership base of the existing SCOOP co-ops. For that and other reasons it should put the existing 550 odd SCOOP enterprises on a sounder financial footing. By removing a series of formidable disincentives, the new law is expected at SCOOP headquarters in Paris to do much to encourage the conversion into co-ops of privately owned small and medium sized French businesses.

It is important to note that the new law applies to "industrial" or "workers" co-ops alone—that is to enterprises, in the manufacturing or service sectors, which are controlled by those who work in them. Agricultural, consumer and housing co-ops are not affected.

The new law also contains an important ideological adjustment: from now on a co-op will be permitted to call itself a "société co-opérative de travail" and will not be bound

into a close identification with the working class movement as it was, before July 1, by the obligatory word "ouvrière" in its title.

There are numerous further and more detailed provisions which will be of interest to specialists. But the final eye-catching—and pathbreaking—clauses in the new law deal with the acquisition and creation of co-operative subsidiaries (co-operative filiales) by co-operative parent enterprises (co-operative mères).

The proportion of the total workforce of the SCOOP enterprises who are also members of their respective co-ops has always been small. This has been a source of worry and embarrassment to the co-ops' leaders for many years. The proportion remained roughly the same—at about 30 per cent—for most of the post-war period and has only climbed to around 35 per cent—or a little more—in the last couple of years, partly as a result of some shedding of labour.

Because they own no shares, as well as for other reasons, non-members are normally less identified with their co-op and thus less committed to its success than member-workers. The prospective strengthening of the membership base is therefore of more than formal importance.

The new law will encourage membership in a number of ways. To begin with, any co-op worker of more than a year's standing will be entitled to purchase shares in his enterprise as a result of the extension of the employee share ownership privileges—and having done so must automatically become a member.

Secondly, the rate of interest which the co-ops may pay on their members' shares will no longer be fixed at 6 per cent but will vary in line with the going rate of tax.

That concession was not won, but pressure to secure it will continue, with emphasis on the

## New law gives big boost to French co-ops

harder for existing members to reject membership applications by workers who have served a probationary period—and harder at the same time for non-member workers systematically to refuse to take up membership.

Taken together, these and other more detailed provisions will mean a substantial move on the part of these French industrial co-ops to a situation in which there is an identity between the enterprise workforce on the one hand and those who, as members, own and control it on the other. The absence of such an identity has long been seen as one of the major weaknesses of these French workers' co-ops—and indeed of their counterparts almost everywhere else.

By encouraging increased worker shareholding, the new law will clearly strengthen the financial position of the SCOOP co-ops. Their financial position will also be positively affected by a number of provisions which bear on the indivisible capital reserves base which all the French workers' co-ops must include in their balance sheets and which, under a succession of co-op laws, have statutorily been allocated not less than 15 per cent of net enterprise profits.

Under the new law there will be certain obligatory allocations to these reserves before the calculation of net profits; and under certain conditions they will also be credited with additional funds following asset revaluations; and in similar circumstances.

The SCOOP leaders make no secret of the fact that they sought further changes, and tax concessions, in the same direction of strengthening the capital reserves of their co-ops. In particular they argued that since no individual can benefit from these reserves (because they are legally indivisible) members' shares will no longer be fixed at 6 per cent but will vary in line with the going rate of tax.

That concession was not won, but pressure to secure it will continue, with emphasis on the

argument that strong reserves are the best possible way of ensuring that jobs in existing co-ops are secure.

For the first time in French co-op history the new law makes detailed provision for co-op subsidiaries. It allows for the co-op parent to own virtually the entire capital of its subsidiary over the first 10 years after the latter's acquisition or creation, and for a capital ownership of up to 50 per cent by the co-op parent thereafter.

It also allows the co-op parent "supplementary votes" in the general assembly of a subsidiary. These are not entirely academic provisions. In the past couple of years the largest of the SCOOP enterprises, the Association des Ouvriers en Instruments de Précision (AOIP)—which is a major producer of telephone equipment in France and employs some 4,000 people—has acquired two medium-sized engineering enterprises.

It has done so in part because it faces the prospect that labour engaged in the production of telephone equipment will run down in the next decade. These new provisions regularise what will happen to these two co-op subsidiaries, and others which may well appear over the next few years.

## Conversion

At the SCOOP headquarters in Paris it is the provisions which will affect the possible voluntary conversion into workers' co-ops of existing private businesses, particularly in the small and medium sized sector, which are expected to have the most specific consequences over the next few years.

These new clauses will remove a series of formidable disincentives to voluntary conversion. Under the previous laws a "converting" enterprise was liable to pay up to 90 per cent of the worth of its net balance sheet to the tax authorities upon conversion. The unusual obligations which resulted in such a state of affairs have now been eliminated.

No one can be sure of the quantity of voluntary conversions which may come about in consequence. But it seems reasonable to expect that there will be substantially more recruits into the ranks of the French workers' co-ops over the next few years than for a long time.

Robert Oakeshott

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# AIBD

**At 31st JULY, 1978**

**between dealers scattered across the world's major financial centres. Membership of the AIBD (which was established in 1969), comprises over 450 institutions from about 27 countries. A key to the table is published opposite.**

against most currencies. The exchange rates against key currencies moved as follows:

	June 30	July 31
\$/SwFr	1.949	1.734
\$/DM	2.073	2.039
\$/Yen	203.8	188.7

The month started under the impact of the earlier continuing rises in US interest rates. Although there was already a problem of saturation, the floating rate note market was still absorbing very large volumes of money. Between June and July \$700m worth of FRNs were launched during July, the bulk in the first half of the month. Straight dollar bonds were depressed until the third week of the month.

Already however by the third week in July there were signs of a turn in market conditions. Floating rate note prices came off the top while dollar straight bonds steadied if not started to rise. Conversely, D-Mark bonds fell back sharply as investors gave a thumbs down for the proposal that European Economic Community countries should pool their foreign reserves.

At this stage, the situation did not seem to be by any means

settled, but subsequent developments seemed to confirm these trends. Although the prices of floating rates notes did not fall far, they very definitely fell for the first time in months and issuing activity had by the end of 1959 slowed from a flood to a stream.

The German domestic market was badly affected by fears of the effects of the Bonn summit on the German public sector and the need for a stop of the resumption of funding programs. And this fed through somewhat into foreign bond prices.

Meanwhile the foreign bond calendar was greatly inflated by a large volume of supranational issues.

The sharp weakness of the German domestic bond market was not fully reflected in the foreign bond market while the new issues that were made seemed not to reflect the price levels to which secondary market yields had fallen. This meant that they were extremely hard if not impossible to place and in the case of the World Bank, Deutsche Bank activated the market by selling a large system which had not been seen outside the German domestic capital market since 1950. This system, aimed at preventing underwriters from dumping bonds, made it possible for Deutsche Bank to identify the bank to whom any bond it

(Deutsche Bank) bought in the afternoon, but gone in the primary placement.

This move was not very popular. But Deutsche Bank was not alone in keeping yields down. Westdeutsche Landesbank also came under fire for the terms it offered to sell its 100 million Chase Manhattan to the market. These were viewed as totally out of line with market conditions and the three big Frankfurt banks refused to manage, underwrite or trade the bonds. In the end, the City of Cologne's Koblenz issue a month before the performance was not too discreditible. It was helped by the early August pick-up in market conditions, but this was not sufficient to explain the relatively small discount to which the price fell.

On the sidelines, Japanese yen bonds came under pressure in July though non-Japanese dealers said this took the form of inability to sell bonds rather than sharp falls in prices. The fall-off in demand here largely resulted from an assumption that yen bonds would break out from the bottom out depending on which way one looks at it) at Y200 to the dollar. Although this assumption subsequently turned out to be wrong, it meant that demand for yen denominated bonds had indeed moved closer to the dollar moved closer to Y200.

[illegible][illegible][illegible]

[illegible]

70.00	1973	CALIF. STATE TREASURY	101	3/8	6.62	8/78	9.18	31	1.11	LC	91	103.205	218	21
94.50	94.50	9.00					102.60	1978	DEPT. OF	LC				
70.00	1973	THE S. CO. INC.	93	1/8	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
15.00	1973	THE S. CO. INC.	90	1/8	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
70.00	1973	THE S. CO. INC.	90	1/8	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
100.00	1976	INDUSTRIAL SEC. OF AM.	99	1/4	3.13	8.08	8.56			LC				
70.00	1973	THE S. CO. INC.	100	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	109.00	972	
70.00	1973	THE S. CO. INC.	101	1/4	7.78	6.07	9.17	101.50	1978	DEPT. OF	LC			
94.50	94.50	9.00	3/5	5/1966						LC	94	10		

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REBUY ESTIMATED \$ (HUND)	YEAR OF ISSUE/ RESEAL PRICE	BORROWER/ COUPON/MATURITY	PRICE	YIELD	LIBR/ AVERAGE LIFE	YIELD TO MATURITY/ YIELD TO AVERAGE LIFE	CURRENT YIELD	YIELD TO NEXT CALL	YIELD TO NEXT CALL PRICE	CALL NOTICE (MONTHS)	NEXT \$100 AMOUNT	PREMIUM/DISCOUNT	SECURITY	INTEREST PAYMENT FREQUENCY	LEAD MANAGER	MARKET MAKERS
75.00	1969 RAMP OVERSEA 100.00 6.00 1/12/1980	SV	96 3/4	2.34	7.55	6.20	100.00	97 1/2	97 1/2	30	100	0	PR	143 110 335 306 8		
75.00	1969 RAMP OVERSEA 100.00 6.00 1/12/1980	SV	95 1/8	2.34	8.36	6.31	100.00	96 1/2	96 1/2	30	100	0	PR	143 115 335 335 5		
50.00	1970 RAMP OVERSEA 100.00 7.50 1/3/1982	W	95 1/2	3.75	8.55	7.05				30	100	0	PR	143 105 305 5-00 9		
75.00	1969 RAMP OVERSEA 100.00 6.00 1/11/1981	W	95 1/4	3.25	7.69	6.30	100.00	96 1/2	96 1/2	30	100	0	PR	143 110 305 306 8		
75.00	1969 RAMP OVERSEA 100.00 6.00 1/11/1981	W	93 1/8	3.25	8.49	6.44	100.00	96 1/2	96 1/2	30	100	0	PR	143 105 310 305 3		
60.00	1977 RAMP OVERSEA 100.00 6.50 1/1/1981	W	95 1/4	5.25	8.57	7.87				30	100	0	PR	143 105 305 305 3		
20.00	1978 RAMP OVERSEA 100.00 6.50 1/1/1981	W	97 1/2	6.67	9.02	8.772	94 1/2	94 1/2	94 1/2	30	100	0	PR	143 105 305 305 3		
25.00	1978 RAMP OVERSEA 100.00 6.50 1/1/1981	W	97 1/2	6.67	9.02	8.772	94 1/2	94 1/2	94 1/2	30	100	0	PR	143 105 305 305 3		

15:00	99750	1975 KOFFER SPEED TEL	100	5/8	2.04	8.89	9.19			IX	940	882	975
	99751	9.25 15/7/1980								IX	940	882	975
	99753	9.25 15/7/1980								IX	975		
22:50	1985	WIFFON TEL & TEL	98	3/8	1.71	6.88	5.93						
4:08	99755	9.25 15/7/1980	100	100	170	394							
20:00	1987	WIFFON TEL & TEL	96	3/4	1.31	6.88	8.03			GC	59	320	321
	100.00	7.635 17/3/1982								GC	59	320	321
13:00	1987	WIFFON TEL & TEL	95	3/8	5.87	8.56	8.23	9.12	30	100	1943		
	99757	9.25 16/8/1980								GC	59	320	321
15:00	1976	WIFFON TEL & TEL	98	1/8	2.75	8.83	8.19			GC	59	320	321
	99759	7.875 17/1/1981								GC	59	320	321
19:00	1987	WIFFON TEL & TEL	96	1/2	8.80	8.60	8.03	30		GC	59	320	321
5:00	99775	8.125 17/3/1987						100.00	1935	GC	59	320	321
19:00	1975	WIFFON TEL	100	3/4	2.13	9.07	9.43	7.04	30				
	100.00	9.50 15/9/1980						100.50	1378	IX	940	882	975
20:00	1976	WIFFON TEL	100	1/2	2.00	8.97	9.20			IX	940	882	975
	99781	9.55 16/8/1980								IX	940	882	975
20:00	1976	WIFFON TEL & TEL	100	3/8	2.51	8.91	9.20			IX	940	882	975
	100.00	9.25 17/2/1980								IX	940	882	975
19:00	1976	XXX TEL	99	1/8	2.96	9.09	8.83			IX	940	882	975
	99783	8.75 17/7/1981								IX	940	882	975
15:00	1976	ORIENT LANTERN	98		5.29	8.93	8.42			IX	940	882	975
	100.00	8.25 15/11/1980								IX	940	882	975
20:00	1976	ORIENT LANTERN	97		3.28	8.73	8.69			IX	940	882	975
	99775	8.25 15/12/1980								IX	940	882	975
20:00	1977	ORIENT LANTERN	96	5/8	6.34	9.81	8.56	10.00	43				
	99775	8.25 17/12/1980						100.00	1980	IX	940	882	975
15:00	1976	ORIENT LANTERN	100	5/8	2.55	9.42	9.66			IX	940	882	975
	100.00	8.25 1980								IX	940	882	975
20:00	1976	ORIENT LANTERN	100	5/8	2.79	9.13	9.03			IX	940	882	975
	100.00	8.25 5/1/1981								IX	940	882	975
11:00	1984	WIFFON TEL	98	7/8	1.74	7.93	6.94			IX	940	882	975
1:30	99608	8.75 17/12/1979						100.00	1980	IX	940	882	975
15:00	1975	SPRINTONE COMPANY	103	5/8	1.71	6.88	8.53			IX	940	882	975

30.00	1977	SHINJITSU BEAST TAIL	97	5.46	8.13	7.99	0.01	30	NY	378	WHE
1.00	1978	" " " " " "	27/3	17/1984				1000	LA		
19.00	1977	SHINJITSU WARRIOR	92	5.78	2.34	8.30	9.92		NY	129	105 913 923
19.50	95-50	9.50 1/12/1984							LA		
21.30	1984	THE METROPOLIS OF TOKYO	58	5/18	7/1	7.92	9.82	30	NY		
1.00	1978	" " " " " "	27/3	17/1984				1000	LA		
20.00	1985	THE METROPOLIS OF TOKYO	58	1/8	1.87	7/1	6.11		NY	129	105 913 923
20.00	1984	THE METROPOLIS OF TOKYO	58	1/8	1.33	7.66		1000	LA	178	984
20.00	1979	NARAKI TENGU	95	1/2	6.21	8.99	9.82		NY		
20.00	99-25	7.75 15/10/1984			1.96	9/1		200.00	LA	1581	1598
15.00	1975	TOMARU JIKOSHU	5	208	9/4	2.34	8.26	9.58	NY	129	958 963
15.00	1977	TOTO KAKUSHO	38	3/4	3.58	5.14	7.63		NY	309	913 927 936
100.00	7-19	1/1/1982							LA		
19.00	1977	TOTO MEKKA KAKUSHO	95	3/8	3.67	9.27	9.13		NY	309	913 927 936
99-23	7-19	1/1/1982							LA		
23.00	1978	TOTO MEKKA FALSHU	100	1/4	2.67	9.10	9.23		NY	309	913 927 936
100.00	9-19	9/1/1981						1.00	NY		
25.00	1977	T.S. LIND (CAPTAIN)	94	5/8	5.62	9.39	8.19		NY	337	35 819 928 92
99-23	98-25	12/1/1984			4.32	9.31		100	NY	1941	1948
19.00	1975	T.S. VITTE (CAPTAIN)	102	2.38	9.49	9.11	8.14	30	NY	337	35 819 928 92
19.00	98-25	9/1/12/1980						100	NY	1941	1948
99-23	98-25	12/1/1984						100	NY	1941	1948
25.00	1978	WARRIOR BEAST TAIL	100	1/8	3.58	9.52	9.49		NY	301	35 920 913 91
1.00	1979	" " " " " "	9/19	5-30	11/1981				NY		
25.00	1977	WARRIOR BEAST TAIL	99	7/8	3.58	9.51	9.51		NY	301	35 920 913 91
99-50	9-50	1/2/1982							NY		
10.00	1987	ASHER PIRATE	98	7/8	4.84	7.90	6.57		NY	46	125 595 320 97
1.00	1978	" " " " " "	27/3	17/1984				1.00	NY		
23.00	1978	S.A.P. LIZARDMAN	97	2/8	4.21	8.23	7.10		NY	375	105 205 320 97
23.00	100-00	7.30 15/10/1982			2.21	8.93		60	NY		
23.00	1996	S.A.P. LIZARDMAN	100	4/3	6.31	9.97	9.00		NY	46	125 595 320 97
100.00	100-00	1/1/1983						100	NY	913	908 975

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کدام اصل



The following Tombstone announcements were published in the Financial Times during July

Tombstone date	Publication date	
3/7/78	3/7/78	<b>RANK OVERSEAS HOLDINGS LIMITED</b> Aus\$12,000,000 11 1/2% Guaranteed Notes due 1983 N. M. Rothschild & Sons Limited and others
3/7/78	3/7/78 & 17/7/78	<b>F. L. SMITH &amp; CO. A.S.</b> U.S.\$20,000,000 9 1/2% Bonds due 1985 Chase Manhattan Limited and others
3/7/78	3/7/78	<b>NEW ZEALAND</b> Dfs\$75,000,000 8 1/2% Bearer Notes 1978 due 1984 Private placement Amsterdam-Rotterdam Bank N.V. and others
17/7/78	3/7/78	<b>DEN NORSKE INDUSTRIEBANK A/S</b> U.S.\$22,000,000 8 1/2% Guaranteed Notes 1985 Private placement Union Bank of Switzerland (Securities) Limited and others
24/5/78	4/7/78	<b>PROVINCE OF NEWFOUNDLAND</b> U.S.\$50,000,000 9 1/2% Bonds due 1980 Credit Commercial de France and others
27/6/78	4/7/78	<b>CITY OF STOCKHOLM</b> Skr\$10,000,000 6 1/4% Japanese Yen Bonds of (1978) due 1990 Yamaichi Securities Company Limited and others
4/7/78	4/7/78	<b>FEDERATIVE REPUBLIC OF BRAZIL</b> Dfs\$75,000,000 7 1/2% Bearer Notes 1978 due 1983 Algemeine Bank Nederland N.V. and others
3/5/78	5/7/78 & 10/7/78	<b>CREDIT COMMERCIAL DE FRANCE</b> U.S.\$45,000,000 Floating Rate Notes due 1985 Credit Commercial de France and others
Jun. 78	5/7/78	<b>THE COUNCIL OF EUROPE RESETTLEMENT FUND</b> DM\$20,000,000 6 1/2% Bearer Bonds of 1978/1986 Private placement Bettler Handels-und Frankfurter Bank
Jun. 78	6/7/78	<b>REPUBLIC OF TRINIDAD AND TOBAGO</b> Y10,000,000,000 7 1/2% Japanese Yen Bonds of 1978 - Series A due 1990 Private placement The Bank of Tokyo Ltd. The Nomura Securities Co. Ltd. and others
7/7/78	7/7/78	<b>BANCO DE LA NACION ARGENTINA</b> U.S.\$30,000,000 Floating Rate Notes 1983 European Banking Company Limited and others
26/6/78	7/7/78	<b>EUROFIMA</b> \$20,000,000 8 1/2% Notes due 1985 The National Commercial Bank and others
6/7/78	7/7/78	<b>ASICS CORPORATION</b> U.S.\$15,000,000 5 1/2% Convertible Bonds 1983 Yamaichi International (Europe) Limited and others

Tombstone date	Publication date	
May 78	3/7/78	<b>FINANSIERINGS- INSTITUTEET FOR INDUSTRI &amp; HANDELSVAERK A/S</b> Dfs\$36,000,000 5 year bank loan Amsterdam-Rotterdam Bank N.V. and others
Jun. 78	3/7/78	<b>KONINKLIJKE NEDERLOED GROEP N.V.</b> U.S.\$50,000,000 Medium Term Loan Algemeine Bank Nederland N.V. and others
Jun. 78	5/7/78 & 10/7/78	<b>SUPERINTENDENCIA NACIONAL DA MARINHA MERCANTE</b> U.S.\$300,000,000 Medium Term Financing Bankers Trust International Limited and others
Jun. 78	8/7/78	<b>HOTEL AND RESTHOUSE</b> U.S.\$10,000,000 Medium Term Floating Rate Loan Arab African Bank and others
14/6/78	7/7/78	<b>SONATRACH</b> Dfs\$310,700,000 Medium Term Loan Hollandsche Bank-Unie N.V. and others
Mar. 78	7/7/78	<b>SONATRACH</b> U.S.\$32,000,000 7 year Floating Rate Loan Algemeine Bank Nederland N.V. and others
14/6/78	11/7/78	<b>PER LE OPERE PUBBLICHE</b> U.S.\$175,000,000 Medium Term Loan Citicorp International Group and others
Mar. 78	12/7/78	<b>EMPRESA NACIONAL DE CELOSAS S.A.</b> U.S.\$10,000,000 Medium Term Loan Banque de l'Indochine et de Suez and others
Jun. 78	13/7/78	<b>SELECTED TRUST</b> U.S.\$40,000,000 Floating Rate 8 year Loan Facility Morgan Grenfell & Co. Ltd. and others
30/6/78	13/7/78	<b>ABDUL MOHSEN ABULBAZ AL-BASTAIN COMPANY</b> Kuwait Dinars 14,000,000 Term Credit Facility The National Bank of Kuwait S.A.K. and Chase Manhattan Ltd. and others
6/6/78	13/7/78	<b>THE REPUBLIC OF THE IVORY COAST</b> U.S.\$60,000,000 Medium Term Credit Facility Credit Commercial de France and Chase Manhattan Ltd. and others

Tombstone date	Publication date	
Jul. 78	6/7/78	<b>ITO-YOKADO CO. LTD.</b> \$50,000,000 5 1/2% Convertible Debentures due 1983 9 1/2% Notes due 1983 Goldman, Sachs & Co. and others
Jul. 78	11/7/78	<b>BIRMINGHAM DISTRICT COUNCIL</b> £50,000,000 Floating Rate Stock 1983/85 Morgan Grenfell & Co. Ltd. and others
Jul. 78	11/7/78	<b>CONTINENTAL ILLINOIS CORPORATION</b> 3,500,000 Shares of Common Stock Merrill Lynch White Weld Capital Markets Group and others
Jul. 78	4/7/78	<b>EMERY INDUSTRIES, INC.</b> has been acquired by a subsidiary of National Distillers and Chemical Corp. Financial Advisor to Emery Ind. Dean Witter Reynolds Inc.
Jul. 78	13/7/78	<b>THE INDUSTRIAL BANK OF JAPAN LTD.</b> U.S.\$25,000,000 Floating Rate Certificates of Deposit TBJ International Ltd.

Tombstone date	Publication date	
11/7/78	11/7/78	<b>MIDLAND INTERNATIONAL FINANCIAL SERVICES B.V.</b> U.S.\$125,000,000 Guaranteed Floating Rate Notes 1983 European Banking Company Limited and others
Jun. 78	11/7/78	<b>OSTERREICHISCHE KONTROLLBANK AKTIEGESELLSCHAFT</b> \$50,000,000 7 1/2% Guaranteed Notes due 1980 \$50,000,000 7 1/2% Guaranteed Notes due 1982 Orion Bank Ltd. and others
12/7/78	12/7/78	<b>KOBE CITY</b> DM100,000,000 5 1/2% DM Bonds of 1978/1986 Deutsche Bank and others
Jul. 78	14/7/78	<b>EUROPEAN COAL AND STEEL COMMUNITY</b> DM70,000,000 6% DM Bonds 1978/90 Deutsche Bank AG.
17/7/78	17/7/78	<b>CHASE MANHATTAN OVERSEAS BANKING CORPORATION</b> Floating Rate Notes due 1983 Chase Manhattan Ltd. and others
18/7/78	18/7/78	<b>SANYO ELECTRIC CO. LTD.</b> DM150,000,000 3 1/2% DM Convertible Bonds of 1978/1988 Deutsche Bank and others
18/7/78	18/7/78	<b>SOCIETES DE DEVELOPPEMENT REGIONAL (SDR)</b> 7% Bonds due 1983 Banque de Paris et des Pays-Bas and others
19/7/78	19/7/78	<b>THORN INTERNATIONAL FINANCE B.V.</b> U.S.\$25,000,000 7% Convertible Guaranteed Bonds 1983 Hambros Bank Limited and others
4/7/78	19/7/78	<b>ENRIA N.V.</b> Dfs\$75,000,000 7 1/2% Bearer Bonds 1978 due 1978/1988 Amsterdam-Rotterdam Bank N.V. and others
18/7/78	19/7/78	<b>AFRICAN DEVELOPMENT BANK</b> U.S.\$40,000,000 Floating Rate Notes due 1983 Credit Suisse White Weld Ltd. and others
20/7/78	20/7/78	<b>HAPOALIM INTERNATIONAL N.V.</b> U.S.\$50,000,000 Guaranteed Floating Rate Notes 1983 N. M. Rothschild & Sons Ltd. and others
20/7/78	20/7/78	<b>COR MEDICAL CORPORATION</b> \$13,000,000 Senior Notes due 1984/83 Sales negotiated by Dillon, Read & Co. Inc.
21/7/78	21/7/78	<b>MIDLAND INTL. FINANCIAL SERVICES B.V.</b> U.S.\$125,000,000 Guaranteed Floating Rate Notes 1983 European Banking Co. Ltd. and others

Tombstone date	Publication date	
28/6/78	13/7/78	<b>NATIONAL IRANIAN GAS COMPANY</b> U.S.\$300,000,000 Medium Term Credit Facility Chase Manhattan Ltd. and others
Jun. 78	13/7/78 & 19/7/78	<b>OXFORD PENDING CORP.</b> U.S.\$65,000,000 7 year Floating Rate Loan Hambros Bank Ltd. and Skandinaviska Enskilda Banken
Jun. 78	13/7/78	<b>UNIVERSITY OF ABIDJAN</b> U.S.\$12,700,000 Project Facility Sodite S.A. and others
Jul. 78	14/7/78	<b>NORSEA PIPELINE LIMITED</b> £60,000,000 Term 5 Facility National Westminster Bank Group
Jun. 78	21/7/78	<b>THE SIAM CEMENT CO. LTD.</b> U.S.\$60,000,000 Medium Term Credit Chemical Bank and others
Jul. 78	21/7/78	<b>COMPLEJO INDUSTRIAL DE FUNDICION DEL TACHIRA C.A.</b> U.S.\$34,241,762.78 3 year Project Financing Ultrafin AG and others
May 78	24/7/78	<b>EMPRESA PARA LA INDUSTRIA PETROQUIMICA S.A.</b> U.S.\$14,000,000 7 year Term Credit Facility First National Bank in Dallas and others
Jun. 78	25/7/78	<b>NESTLE OY</b> Sfr\$5,000,000 Term Loan Facility Manufacturers Hanover Trust Company and others

Tombstone date	Publication date	
Jul. 78	14/7/78	<b>HYDRO-QUEBEC</b> U.S.\$50,000,000 9 1/4% Debts Series D1 due 1993 S. G. Warburg & Co. Ltd. and others
14/7/78	14/7/78	<b>THE FUJI BANK LTD.</b> Floating Rate Dollar Certificates of Deposit due 1981 Fuji International Finance Ltd. and others
18/7/78	18/7/78	<b>VEREX CORPORATION</b> has been acquired by a subsidiary of The Greyhound Corporation. Financial Advisor to Verex Corp. E. F. Hutton & Co. Inc.
18/7/78	20/7/78	<b>AMBAC Industries Inc.</b> has merged with a subsidiary of United Technologies Corp. Financial Advisor to AMBAC Ind. Allen & Company Inc.
19/7/78	23/7/78	<b>The Molson Companies Ltd.</b> has acquired The Diversy Corporation Financial Advisor to Molson Smith Barney, Harris Upham & Co.

Tombstone date	Publication date		
5/7/78	24/7/78	<b>BANQUE FRANCAISE DU COMMERCE EXTERIEUR</b> Y30,000,000,000 Guaranteed Yen Bonds No. 2 (1978) due 1990 The Nikko Secs. Co. Ltd. and others	
21/7/78	24/7/78	<b>BANCO DE LA NACION ARGENTINA</b> U.S.\$30,000,000 Floating Rate Notes 1983 European Banking Co. Ltd. and others	
24/7/78	24/7/78	<b>COMPAGNIE NATIONALE ALGERIENNE DE NAVIGATION</b> Saudi Riyals 50,000,000 8 1/2% Guaranteed Notes due 1988 National Commercial Bank (Saudi Arabia) and others	
30/7/78	25/7/78	<b>GENERAL MOTORS ACCEPTANCE CORP.</b> \$250,000,000 8 1/2% Notes due 1983 Morgan Stanley & Co. Inc. and others	
11/7/78	25/7/78	<b>OSTATOIL</b> \$60,000,000 8 9/10% Guaranteed Notes due 1983 Private Placement arranged by Lehman Brothers Kuhn Loeb	
11/7/78	26/7/78	<b>THE FEDERATIVE REPUBLIC OF BRAZIL</b> Y30,000,000,000 6 5/8% Yen Bonds Series No. 4 (1978) due 1988 The Nomura Secs. Co. Ltd. and others	
Jul. 78	27/7/78	<b>IZUMIYA CO. LTD.</b> <td>DM150,000,000 3 1/2% Convertible Bonds of 1978/1988 Bayerische Vereinsbank and others</td>	DM150,000,000 3 1/2% Convertible Bonds of 1978/1988 Bayerische Vereinsbank and others
4/7/78	27/7/78	<b>BANQUE INTERNATIONALE POUR L'AFRIQUE OCCIDENTALE</b> U.S.\$20,000,000 Floating Rate Notes 1978-1983 Banque Nationale de Paris and others	
28/7/78	28/7/78	<b>EUROPEAN COAL AND STEEL COMMUNITY</b> Dfs\$100,000,000 7 1/2% Bearer Bonds due 1984/1983 AMRO Bank N.V. and others	
28/7/78	28/7/78	<b>RICOH COMPANY LTD.</b> DM70,000,000 3 1/2% Convertible Bonds due 1986 DM30,000,000 5 1/2% Straight Bonds due 1983 Tuchimatsu Bank Ltd. and others	
31/7/78	31/7/78	<b>STANDARD CHARTERED BANK LTD.</b> U.S.\$100,000,000 Floating Rate Capital Notes 1990 European Banking Co. Ltd. and others	
31/7/78	31/7/78	<b>CHARTERHOUSE JAPHET INT. FINANCE B.V.</b> U.S.\$10,000,000 Guaranteed Floating Rate Notes 1985 Charterhouse Japhet Ltd. and others	
Jun. 78	31/7/78	<b>BANQUE NATIONALE D'ALGERIE</b> Kuwaiti Dinars 8,000,000 8 1/2% Bonds due 1990 Kuwait Investment Co. (S.A.K.) and others	

Tombstone date	Publication date	
Jul. 78	25/7/78	<b>UNITED ARAB REALITY COMPANY</b> U.S.\$12,000,000 Medium Term Project Loan Arab African International Bank and others
Jun. 78	25/7/78	<b>AKTIESELSKABET SYDVARANGER</b> U.S.\$15,000,000 7 year Floating Rate Loan U.S.\$15,000,000 10 year Floating Rate Loan Hambros Bank Ltd. and others
Jul. 78	26/7/78	<b>DELTA SUGAR COMPANY S.A.</b> \$20,000,000 Term Loan International Finance Corp. and others
Jun. 78	27/7/78	<b>UNION CEMENT COMPANY</b> K.D. 1.170,000 and U.S.\$25,000,000 Medium Term Loan The Industrial Bank of Kuwait KSC and others
26/5/78	27/7/78	<b>THE EMIRATES TELECOMMUNICATIONS CORP. LTD.</b> U.S.\$100,000,000 Medium Term Loan Abq Dhabi Investment Co. and others
Jun. 78	28/7/78	<b>MINERACAO RIO DO NORTE S.A.</b> U.S.\$130,000,000 Ten Year Loan Irving Trust Co. and others
Jun. 78	28/7/78	<b>BANCA PROVINCIALE IOMBARDA SPA</b> U.S.\$17,000,000 Medium Term Credit Facility S. G. Warburg & Co. Ltd.
Jun. 78	28/7/78	<b>DOMESTIC PETROLEUM LIMITED</b> Can\$160,000,000 Term Financing Canadian Imperial Bank of Commerce
Jul. 78	28/7/78	<b>REPUBLIC OF PORTUGAL</b> U.S.\$150,000,000 7 year Multicurrency Loan of 1978 Commerzbank Aktiengesellschaft and others
Jun. 78	31/7/78	<b>MISR IRAN TEXTILE COMPANY</b> U.S.\$10,500,000 Medium Term Loan Mistr Iran Development Bank and others
31/7/78	31/7/78	<b>HELLENIC INDUSTRIAL DEVELOPMENT BANK S.A.</b> U.S.\$15,000,000 Medium Term Loan Westdeutsche Landesbank Girozentrale

Tombstone date	Publication date	
19/7/78	25/7/78	<b>Degussa</b> has acquired major interest in Asta-Werke AG RHONE-POULENC SA has acquired a major minority interest in Morton-Norwich Inc. Financial Advisor Niels de Groot & Co.
17/7/78	28/7/78	<b>PHILIP MORRIS INC.</b> 2,000,000 Shares Common Stock Lehman Brothers Kuhn Loeb and others
21/7/78	28/7/78	<b>DAMSON OIL CORPORATION</b> 44,900 Convertible Preferred Stock 466,948 Shares of Common Stock Amex Bank Ltd. and others
Jul. 78	28/7/78	<b>OVERSEAS UNION BANK LTD.</b> U.S.\$15,000,000 Negotiable Floating Rate Certificates of Deposit due 1981 Singapore Nomura Merchant Banking Ltd. and Asian-American Merchant Bank Ltd.

## WestLB Euro-Deutschmarkbond Quotations

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D - sinking fund by lot or by S - sinking fund
Quebec 72/87	101.000	6.44	4.72	6.24	1.778-87D
Quebec 72/87	103.750	7.23	8.50	6.89	1.287
Quebec 72/87	103.000	7.04	8.83	6.78	1.287
Quebec 78/90	96.000	6.25	9.16	6.59	1.585-90D
Quebec Hydro EL 69/84	101.750	6.63	2.91	6.18	1.275-84S
Quebec Hydro EL 69/84	103.250	7.02	3.49	6.29	1.275-84D
Quebec Hydro EL 71/86	104.250	7.64	4.41	6.85	1.977-86D
Quebec Hydro EL 72/87	100.500	6.47	4.46	6.36	1.478-87D
Quebec Hydro EL 72/87	100.250	6.48	4.83	6.43	1.379-88D
Quebec Hydro EL 72/87	99.400	6.54	9.04	6.59	16.887
Quebec Hydro EL 72/87	99.250	6.30	9.33	6.35	1.127
Queensland ALU 70/85	103.000	8.25	3.56	7.66	1.179-85S
Kautarukki 78/88 (G)	92.000	6.18	7.60	6.78	1.179-88S
Reed Paper 72/88	101.250	7.13	4.65	6.78	1.782
Renfe 76/82 (G)	106.000	8.02	3.92	6.70	1.484
Renfe 77/84 (G)	104.750	7.64	5.67	6.94	1.484
Ricoh Comp. 78/83P	96.000	5.47	5.00	6.20	1.577-86S
SAAB 71/86	105.000	7.38	4.36	6.52	1.1179
SAFE 74/79P	106.000	9.67	2.25	5.13	1.783-87S
Saga Petrokemi 77/87P	103.000	7.35	6.85	7.12	1.278-87D
Sandvik 75/83	112.000	8.26	4.29	6.10	1.283
Sanko Steamship 75/80	102.500	8.29	2.33	7.26	1.1280
Sanko Steamship 77/84	102.600	8.62	5.50	6.41	1.284
S.A.P.L. 75/80P (G)	106.500	8.45	1.58	4.62	1.380
Shell Int'l. 72/87	102.750	6.23	4.48	5.78	1.478-87S
Shell Int'l. 77/89	105.750	8.38	8.44	5.86	1.285-89D
Ship. Co. N. Zealand 75/80P (G)	104.500	7.89	1.84	5.59	3.680
Ship. Co. N. Zealand 75/82 IP (G)	103.750	8.19	3.81	7.32	22.582
Ship. Co. N. Zealand 75/82 IP (G)	103.750	8.19	3.82	7.33	27.582
Siemens Europe 66/81	106.000	6.60	1.73	3.36	1.178-82S
Singapore 72/82	103.750	6.75	2.38	5.37	1.583
Singapore 77/83	101.000	6.44	4.25	6.24	1.279-83D
Singapore Air 76/83 (G)	104.250	3.99	2.43	6.77	1.676-85D
Sira Kvina	106.000	8.02	3.70	6.75	1.1072-83S
S.N.C.F. 68/83 (G)	102.750	6.33	3.11	5.51	1.480-86D
Soc. Dev. Reg. 76/86 (G)	103.250	7.26	4.90	6.69	16.1285-92D
Soc. Dev. Reg. 77/82P (G)	98.750	6.33	14.37	6.38	1.579-83D
Soc. Mar. Fina 75/83P	104.750	8.59	2.94	7.13	1.473-84S
South-Africa 69/84	99.500	6.78	5.67	6.97	1.176-85S
South-Africa 70/85	102.750	8.27	3.55	7.74	1.177-86S
South-Africa 71/86	100.750	7.69	4.20	7.68	1.178-87S
South-Africa 72/87	97.400	7.19	9.25	7.39	1.178-87S
South-Africa Broadc. 78/81P (G)	100.500	7.96	2.58	7.75	1.381
South-Africa Railway 73/88 (G)	98.500	7.61	9.83	7.72	1.679-88S
South-Africa Railway 75/80P (G)	102.500	9.02	1.32	7.17	1.678-80D
South-Africa Railway 75/80 (G)	105.250	9.19	1.92	6.25	1.780
South-Africa Railway 77/80P (G)	101.000	8.17	2.00	7.69	1.679-80D
South-Africa Railway 78/82P (G)	100.000	8.20	4.22	7.90	2.181
South-Afr. Railway 78/82P (G)	100.000	7.75	3.75	7.73	1.582
South-Afr. Railway 78/83P (G)	100.000	8.00	4.92	7.99	1.783
South Scot. EL 73/88 (G)	103.250	6.78	4.75	6.18	1.279-88S
Spain 77/84	101.125	6.67	6.00	6.52	1.884
Spain 78/88	95.125	6.31	9.75	6.69	1.588
Sparbank Oslo 78/80P	96.250	6.23	7.03	6.88	16.588-90D
Standard Imp. & Exp. 78/82P	99.500	7.75	4.00	7.90	1.179-92D
Stand. Chart. Bank 78/88	100.250	6.48	9.42	6.46	1.188
Statsforretag 77/85	102.000	6.86	5.04	6.51	1.382-85D
Steiermark 74/80P	108.000	9.26	2.17	5.94	1.1080
Stockholm City 75/83	104.750	8.35	3.52	7.16	15.476-83D
Stockholm County 75/87	108.000	8.10	4.45	6.60	1.479-87D
Studeb. Worth 69/79	101.100	7.1			

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D - mandatory drawing by lot at par S - sinking fund
8% ADELA 76/83	103.600	7.72	4.67	7.05	1.483
7 1/2% ADELA 77/82P	101.000	7.18	3.87	6.94	16.482
7 1/2% ADELA 77/82P	100.500	6.97	4.00	6.85	1.882
6% AEG 66/81	105.000	5.71	1.49	2.53	1.272-81D
6% Airport Paris 69/84P (G)	99.500	6.53	2.99	6.67	1.375-84D
6% AKZO 76/82P	106.500	8.45	2.00	6.83	1.282
6% AKZO 76/83P	103.000	7.53	2.83	6.99	1.683
6% AKZO 78/84P	100.500	5.97	5.67	5.89	1.683
6% Alusuisse Int'l 75/83	108.250	7.62	3.98	5.87	1.881-83D
6% AMEX Int'l 77/84P	100.500	6.72	5.67	6.63	1.484
6% A.P.E.L. 74/81 (G)	106.250	9.41	1.80	6.18	1.1277-81D
7 1/2% ARBED-Financ 76/83P	102.500	7.56	5.25	7.15	1.1183
7 1/2% ARBED-Financ 77/82P	100.000	6.75	8.83	6.75	1.682-87S
7 1/2% Ardal-Sundland 75/81P	104.000	8.41	2.92	7.17	1.781
6 1/2% Ardal-Sundland 77/80P	100.000	6.75	10.82	6.75	1.782-89D
6 1/2% Argentina 67/79	101.000	6.93	0.83	5.67	1.127-79S
7% Argentina 68/78	104.250	6.71	0.17	5.27	due 10/78(104)
7% Argentina 69/79	101.500	7.88	0.83	6.19	1.1377-79S
7% Argentina 77/84	101.25	7.41	6.17	7.23	1.1084
6 1/2% Argentina 78/85	96.50	6.74	6.58	7.17	1.385
6 1/2% Asian Dev. Bk. 69/84	101.000	6.93	2.95	6.73	1.975-84S
6 1/2% Asian Dev. Bk. 75/80P	105.000	8.10	2.29	6.07	16.1180
6 1/2% Asian Dev. Bk. 76/82	105.000	7.62	3.59	6.38	1.382
6 1/2% Asian Dev. Bk. 76/83P	105.000	7.62	3.59	6.38	1.483
6 1/2% Asian Dev. Bk. 77/85	102.250	6.85	6.67	6.56	1.483
6 1/2% Asian Dev. Bk. 78/88	92.750	5.93	7.55	6.52	1.588
6 1/2% ASKO 75/80P	105.500	9.00	1.67	5.90	1.480
6 1/2% Aumar 73/88 (G)	101.750	7.37	4.77	7.18	1.279-88D
6 1/2% Aumar 76/84 (G)	105.600	8.52	3.44	7.11	15.877-88D
6 1/2% Aumar 77/84 (G)	103.000	7.52	3.92	7.11	1.784
6 1/2% Australia 67/82	101.250	6.21	2.50	5.01	1.1173-82S
6 1/2% Australia 68/83	103.000	6.55	2.94	5.71	1.274-83S
6 1/2% Australia 69/84	102.750	6.33	2.92	5.54	1.275-84S
6 1/2% Australia 72/87	105.000	6.90	3.14	5.57	1.1175-84S
6 1/2% Australia 73/88	104.400	6.70	4.51	5.85	1.278-87S
6 1/2% Australia 74/80	101.750	9.03	2.17	4.65	1.1080
6 1/2% Australia 75/82	101.500	6.07	3.59	6.38	1.282
6 1/2% Australia 75/82 IP	108.500	7.60	3.65	5.61	1.582
6 1/2% Australia 76/83	107.000	6.78	4.38	5.47	1.383
6 1/2% Australia 77/82P	100.500	5.22	4.17	5.11	1.1082
6 1/2% Australia 77/89	98.400	5.84	1.15	5.85	1.1185-89S
6 1/2% Aust. Int'l Dev. Corp. 72/87	101.750	7.62	5.05	6.32	1.1185
6 1/2% Austr. Ship. Com. 76/83P (G)	104.750	7.64	5.08	6.86	1.1185
6 1/2% Rep. of Austria 68/82	104.000	6.73	2.14	5.06	1.473-82S
6 1/2% Rep. of Austria 69/83	102.500	6.34	2.61	5.53	1.475-83S
6 1/2% Rep. of Austria 74/79P	103.250	9.20	0.92	5.74	1.779
6 1/2% Rep. of Austria 75/80P	108.500	8.95	2.25	6.79	1.1281
6 1/2% Rep. of Austria 75/80P	104.000	9.13	1.50	6.56	1.280
6 1/2% Rep. of Austria 75/81P	104.000	7.93	2.83	6.64	1.681
6 1/2% Rep. of Austria 75/82P	103.000	8.50	3.12	7.14	1.479-82D
6 1/2% Rep. of Austria 75/83P	108.000	8.33	3.50	6.85	1.283
6 1/2% Rep. of Austria 76/82P	103.000	7.98	3.73	6.83	1.578-87S
6 1/2% Rep. of Austria 76/86	102.250	7.33	6.21	6.29	2.583-86S
6 1/2% Rep. of Austria 77/85	104.000	6.49	4.78	5.90	1.483-85S
6 1/2% Rep. of Austria 77/87P	103.500	6.76	6.36	6.30	1.183-87D
6 1/2% Rep. of Austria 77/87P	102.000	6.62	6.44	6.35	1.283-87D
6 1/2% Rep. of Austria 77/87P	99.500	6.82	6.08	6.08	1.984-87D
6 1/2% Rep. of Austria 78/88P	99.500	7.04	6.46	7.09	16.85
6 1/2% Autopistas 69/84 (G)	102.500	7.02	3.32	4.50	1.773-84S
6 1/2% Autopistas 71/86 (G)	103.000	7.77	4.48	7.33	1.1077-86D
6 1/2% Autopistas 72/87 (G)	100.000	6.75	4.40	6.74	1.1078-87D
6 1/2% Banco N. Obras 71/86 (G)	103.750	7.71	4.57	7.15	1.1177-86S
6 1/2% Banco N. Obras 76/83P (G)	106.500	8.45	2.08	7.15	1.981
6 1/2% Banco N. Obras 77/82P (G)	106.500	8.45	2.08	7.15	1.981
6 1/2% Banco N. Obras 77/82P (G)	100.375	6.97	4.21	6.88	16.1082
6 1/2% Banco N. Obras 77/84 (G)	99.500	7.04	6.17	7.10	1.1084
6 1/2% Banque Ext. Algerie 77/83	100.650	7.45	5.21	7.33	15.1081-83D
6 1/2% Banque Nat. Algerie 78/83	99.250	7.30	4.58	7.43	1.383
6 1/2% BASF 65/80	100.750	5.96	1.66	5.50	1.1071-80D
6 1/2% BEC Finance 76/83P	103.000	7.28	5.25	6.79	1.1183
6 1/2% Beecham Fin. 76/83	106.250	7.53	5.25	6.79	1.1183
6 1/2% Bergen 75/85	105.750	8.05	4.69	6.51	1.581-85D
6 1/2% Bergen 77/89	104.750	6.92	3.30	6.30	1.281-89D
6 1/2% BFCE 75/83 (G)	105.500	7.82	3.90	6.60	1.781-83D
6 1/2% BFCE 76/84 (G)	102.750	7.71	4.90	6.53	1.782-84S
6 1/2% BFCE 77/87 (G)	102.750	6.81	6.44	6.45	1.283-87S
6 1/2% BFCE 78/88 (G)	95.250	6.04	8.43	6.49	15.186-88S
6 1/2% BNDE 77/87	102.500	8.23	6.08	6.45	1.631-87D
6 1/2% BNDE 78/88	99.375	7.99	2.88	6.45	1.386
6 1/2% Borregaard 75/81P	106.000	8.49	2.75	6.52	1.581
6 1/2% Borregaard 77/84P	102.000	6.37	6.17	6.10	1.1084
6 1/2% Brascon Int'l 73/88	103.500	8.21	5.82	7.72	1.1079-88S
6 1/2% Brazil 72/87	100.150	6.74	4.48	6.70	1.1076-87S
6 1/2% Brazil 76/86	105.500	8.29	5.18	7.42	1.1082(86-88)
6 1/2% Brazil 77/84	100.500	7.71	5.75	7.63	1.584
6 1/2% Brazil 78/85	98.500	7.58	5.08	7.08	1.285
6 1/2% Brenner 68/81 (G)	100.000	6.62	2.94	6.08	1.874-83S
6 1/2% British Petrol 65/80	100.000	5.50	1.33	5.48	1.671-80D
6 1/2% Bruxelles-Lambert 77/84P	103.500	5.25	6.37	5.74	15.1284
6 1/2% Burmah Oil 70/85	100.150	8.24	3.56	7.61	1.1176-85D
6 1/2% Canada 78/83P	99.500	4.87	4.80	5.35	20.583
6 1/2% Carlsberg-Tuborg 77/87P	100.000	6.00	9.33	5.99	1.1285-87D
6 1/2% C.C.E.E. 75/85 (G)	102.750	7.82	3.90	6.60	1.781-83D
6 1/2% C.C.E.E. 76/86 (G)	108.000	7.87	3.67	6.96	1.783-86D
6 1/2% C.C.E.E. 77/89 (G)	102.500	6.83	6.83	6.53	1.481-89D
6 1/2% CECA 64/79	102.000	5.39	0.83	3.07	6.689-79D
6 1/2% CECA 65/83	100.250	5.49	2.61	5.38	1.471-83D
6 1/2% CECA 71/86	104.750	7.16	4.09	6.14	1.577-86D
6 1/2% CECA 72/87	101.000	6.44	4.72	6.24	1.778-87D
6 1/2% CECA 73/88	101.250	6.91	4.65	6.66	2.179-88D
6 1/2% CECA 73/88	99.500	6.61	4.39	6.61	1.479-88D
6 1/2% CECA 74/79 IP	104.000	9.62	1.00	5.77	1.179-88D
6 1/2% CECA 74/79 IP	104.000	9.62	1.00	5.77	1.179-88D
6 1/2% CECA 74/81	113.000	8.13	3.08	6.49	1.981
6 1/2% CECA 75/80P	104.500	7.66	2.33	5.86	1.1280
6 1/2% CECA 75/82P	106.000	8.02	3.58	6.55	1.512-82D
6 1/2% CECA 75/83	109.000	8.34	3.50	6.61	15.1282
6 1/2% CECA 75/85	103.500	8.07	3.54	6.75	1.478-85D
6 1/2% CECA 76/81P	104.750	7.64	3.37	6.37	15.1281
6 1/2% CECA 76/83	108.750	7.13	5.17	5.74	1.1083
6 1/2% CECA 76/86	105.750	7.33	6.10	6.57	1.1082-86D
6 1/2% CECA 78/90	91.375	5.75	9.49	6.09	1.485-90D
6 1/2% CECA 78/90	96.750	5.75	9.49	6.09	1.485-90D
6 1/2% CECA 78/90P	100.000	7.75	3.97	7.75	1.883-90D
6 1/2% C.E.D. South Africa 78/82P (G)	100.250	6.48	2.67	6.38	20.782
6 1/2% CESP 77/87 (G)	99.750	7.02	9.25	7.03	1.1183(82-87)
6 1/2% Charter Comm. 68/83	101.900	6.38	3.11	5.90	1.1072-83S
6 1/2% Chrysler 69/84	100.250	6.98	3.32	7.03	1.775-84S
6 1/2% CIBA-GEIGY ex. W. 75/85P	106.700	6.33	7.17	5.98	1.1085
6 1/2% C.N. Autotrans 75/82 (G)	100.250	6.38	3.00	5.83	1.375-84D
6 1/2% C.N. Energie 69/84 (G)	101.250	6.42	2.92	6.00	1.275-84D
6 1/2% C.N. Telecom 68/83 (G)	101.000	6.44	3.19	6.33	1.1174-83S

Issue	Middle Price	Current Yield	Life*	Yield to Maturity*	Repayment D - mandatory drawing by lot at par S - sinking fund
5 1/2% Denmark 78/84	97.400	5.39	5.50	5.81	1.284
5 1/2% Denmark 78/85	97.500	6.15	9.50	6.35	1.288
6 1/2% Den Norske Ind. 77/89 (G)	101.000	6.68	6.07	6.53	1.583-89D
6 1/2% Den Norske Ind. 78/90 (G)	98.500	6.09	8.09	6.24	1.583-90D
6 1/2% District Paris 69/84 (G)	101.250	6.42	3.33	6.06	1.475-84D
6 1/2% EEC 76/83	105.900	6.85	4.67	5.76	1.483
6 1/2% Elect. Council 69/84 (G)	103.200	7.27	0.08	4.73	clld.p. 1.978(103)
6 1/2% Elect. Council 69/84P (G)	103.000	7.28	0.08	7.04	clld.p. 1.978(103)
6 1/2% Elect. Council 71/88 (G)	103.750	7.47	3.91	6.75	1.377-86S
6 1/2% Elect. de France 70/85 (G)	103.400	6.22	0.25	4.54	1.178(102.5)
6 1/2% Electrobras 77/87 (G)	100.100	6.99	7.02	6.98	1.983(83-87)
6 1/2% Electrobras 78/86 (G)	96.875	6.97	7.67	7.29	1.486
6 1/2% Elf Aquitaine 78/88	93.375	5.62	8.87	6.25	15.886-88D
6 1/2% Elf Norge 77/80P	101.000	5.69	1.71	5.11	16.80
6 1/2% Elken 78/88P	93.500	6.10	1.47	6.85	1.684-88D
6 1/2% ENEL 65/80 (G)	100.000	6.00	1.41	6.09	1.789-80D
6 1/2% Enso-Gutzeit 70/85	103.550	8.21	0.17	4.79	clld.p.
6 1/2% Ericsson 72/87	102.500	6.59	4.58	6.10	1.1078(103)
6 1/2% ESAB 76/81P	105.000	8.33	2.50	6.49	1.375-87S
6 1/2% ESCOM 65/80 (G)	101.500	6.40	1.66	5.51	1.1071-80D
6 1/2% ESCOM 68/83 (G)	97.500	6.87	3.10	7.42	1.1074-83D
6 1/2% ESCOM 70/85 (G)	101.500	6.37	3.51	7.97	1.476-85D
6 1/2% ESCOM 71/86 (G)	102.000	7.84	3.89	7.53	1.377-86D
6 1/2% ESCOM 72/87 (G)	94.000	6.65	4.83	7.87	1.978-87D
6 1/2% ESCOM 73/88 (G)	96.500	7.25	4.94	7.87	1.578-88D
6 1/2% ESCOM 75/80 (G)	104.900	8.82	2.00	6.56	1.280-81D
6 1/2% ESCOM 76/81 IP (G)	101.000	7.92	1.95	7.39	15.180-81D
6 1/2% ESCOM 78/81 IP (G)	101.000	7.92	1.95	7.40	1.280-81D
6 1/2% ESCOM 78/81P (G)	101.250	8.15	2.50	7.65	1.281
6 1/2% ESTEL 73/88	103.000	7.52	5.67	7.29	1.879-88S
6 1/2% ESTEL 75/85	107.500	7.91	5.17	6.73	1.681-85S
6 1/2% ESTEL 76/83P	106.000	8.02	4.58	6.91	1.383
6 1/2% ESTEL 77/84P	99.250	6.55	6.25	6.64	1.1184
6 1/2% Estv. 77/87	99.000	6.31	5.31	6.47	1.1282-



John Collins

# A problematical cancer warning

THE U.S. Government will in either humans or animals come under strong pressure to ban the use of nitrite as a preservative in cooked meats for those who want to prohibit the use of nitrites and nitrites as preservatives in cooked meats from the Massachusetts Institute of Technology which through the House and the Senate because a ban on carcinogenic chemicals is not automatic.

The MIT report itself and the possibility of a ban in the U.S. is more than enough to fill the UK food processors and additive manufacturers with gloom. They fear that such a move by the U.S. authorities will bring demands from British consumer groups that the UK should follow suit.

It has happened before. The use of cyclamates as artificial sweeteners was banned in the U.S. on the suspicion that they might cause cancer and in the ensuing public furor the British authorities decided it would be prudent to outlaw them on this side of the Atlantic as well. Yet the evidence for cyclamates being carcinogenic is slender — so much so that they are still being freely consumed by the French, the West Germans, the Dutch and the Swiss.

Additive manufacturers and food processors seem to maintain an excellent relationship with the British health authorities but the example of the U.S. allied to what they see as persistent scare-mongering in the UK press have combined to make them extraordinarily defensive. Their counterparts in the U.S. take a far more positive and aggressive line but perhaps one reason for this is that the American industries have to contend with the Delaney Amendment.

The Delaney Amendment says that any food additives which are found to cause cancer

meats because it inhibits the growth of Clostridium botulinum. This is the micro-organism which causes botulism — the vicious form of food poisoning that attacked four elderly people in Birmingham earlier this month after they had eaten a tin of infected salmon.

The risk of developing cancer from eating tiny amounts of nitrite is far smaller than the risk of botulism. And at present there is no known alternative to nitrite for suppressing the spores of Clostridium botulinum. This, plus the fact that most of the intake of nitrites and nitrates to the human body comes from the environment and from natural foods, is why there is no prospect of a ban on the use of either chemical as a preservative in the UK.

Meanwhile additive producers and food processors in the U.S. have been fighting for a change in the law, and some have also been doing their best to counter public prejudice against additives in general.

For example, Monsanto, the U.S.-based chemicals group which operates both in Britain and on the Continent, publishes a glossy booklet called *The Chemical Facts of Life* which is aimed at the consumer. It discusses the whole question of acceptable risk, puts a positive case for the safe use of food additives which are among Monsanto's wide range of products — and takes some hefty sideswipes at the Delaney Amendment. British companies tend to be far less bold about the public image they present. The UK food flavourings and additives market is thought to be worth in the region of £350m annually and it is estimated that the average Briton eats about three pounds of additives every year. But the UK there are various lists

of permitted additives and these are all drawn up and supervised by the Food Additives and Contaminants Committee.

The committee was set up in 1964 to act as an advisory body to the Minister of Agriculture, Fisheries and Food — though in the latter category includes Albright and Wilson, BOC

mainly because nitrate occurs as an impurity in common salt. But it was only in 1964 that scientists discovered nitrite could lead to the development of cancer in animals. As a result of this and other research the Food Additives and Contaminants Committee introduced a maximum limit for the use of nitrate in a food of 500

The UK took cyclamates off the permitted list in 1970 but this was done as a super-safe precautionary measure rather than as a reaction to a proven danger. And at the time food and drugs inspectors were told not to be too pedantic about the regulations as far as existing stocks of cyclamate-sweetened food were concerned.

A U.S. ban on nitrites and nitrates would be unlikely to hit the British cooked meats industry too hard because the UK is not a heavy exporter of cooked meats to America. What is much more worrying is that fears of botulism and cancer could lead to an overall sales decline in some sectors of the industry. There is probably more of a danger of this happening in certain Continental countries than in the UK because in some European states the interests of consumers are thought of as being in direct conflict with those of the food industry.

At present most European countries have the same limits on the use of nitrate and nitrite additives as the UK. This is because the limits were recommended by the Codex Alimentarius — not, as its name might suggest a hangover from the Spanish Inquisition, but a body set up by the Food and Agriculture Organisation and the World Health Organisation to develop international standards for additives. Attempts are now under way to harmonise regulations on the use of food additives within the European Economic Community but the task is not proving to be an easy one. The food people eat can be an emotion-charged subject and various compromises are having to be made within the EEC.

Permitted lists of food additives are now being developed by the EEC scientific committee but some of them allow a considerable degree of discretion to individual member states. For example, there is a list of colourant additives which all states must allow to be used in at least one food. But if they are worried about a particular colouring agent they may restrict its use to one, named food only. A country with serious doubts about, say, amaranth, a red colourant, would therefore be free to permit its use only in caviar. At present the UK seems to be at the liberal end of the EEC spectrum where additives are concerned.

Research into the development of new additives can be extremely costly. A study of the effect of a particular compound on several generations of laboratory animals would normally cost in excess of £100,000 — and this is just one aspect of the total development work that would need to be done.

The UK authorities are usually prepared to advise chemical companies on the chances of an entirely new additive being put on the permitted list before serious research begins. But it would be clearly impossible to give any guarantees of acceptance and therefore the whole business of research and development carries an extremely high risk. The British authorities say work on new food additives has been greatly inhibited as a result.

This may be one reason why no alternative has been found to nitrite as a preservative in cooked meats. It is to be hoped that the MIT study of nitrite will trigger off research into a safer alternative rather than merely rousing a panic in the minds of the public.



Sausages and salami on sale in London: the food people eat can be an emotion-charged subject.

## Large dose

For example, the MIT research into nitrite, which was carried out for the U.S. Food and Drug Administration, involved giving laboratory animals 2,000 parts per million of nitrite in their diet — an exceptionally large dose. The result was a high incidence of cancer among the animals that were studied.

Human beings would have to eat well over 100 lb of bacon treated with nitrite per day, every day before they stood the same chance of developing cancer. Nitrates and nitrites are used as preservatives in both the UK and the U.S. for a whole range of cured meats including bacon, salami, corned beef, ham and sausage. The two chemicals are inter-convertible which means that if conditions alter only slightly one will change into the other. This is why they are often used together although it is nitrite which is important for the preservation of cured

Hydros, Chroda Chemicals, Boots, BP Chemicals, Distillers, Laporte Industries and May and Baker — appear to have no quarrel with the law or with the way the regulations are administered. Perhaps it is because they believe the system works well that their usual reaction to lay criticism of any sort is to duck and hope it does not hit them.

The use of additives in the UK is governed chiefly by the 1955 Food and Drugs Act plus a whole host of regulations which come under it. Additives are not clearly defined under the law but the loose, working definition is that they are substances added to foods for other than nutritional purposes. But the UK there are various lists

its recommendations. It is responsible for continuously re-examining the permitted lists in the light of the latest scientific findings, for deciding whether a new additive should be allowed to go on the lists, and for banning the use of any additive that has come to be thought unsafe.

One of the problems of revising the permitted lists is that laboratory techniques are becoming increasingly sensitive and this means that an additive which has always been thought perfectly safe in the past may suddenly be called in question as a result of refined testing methods. Nitrate and nitrite have been used in the preserving of meat for centuries

## Letters to the Editor

### Chrysler and Peugeot

From Mr. B. Cole

Sir,—It is perhaps not surprising that news of the proposed Peugeot/Chrysler deal should provoke some hysterical reactions. However, it is depressing to find Clive Jenkins and James Prior of one mind in castigating Chrysler for not having consulted earlier with the British Government and unions. Indeed, even your industrial correspondent seems to be of like mind with his headline: "UK Minister told only on Monday" (August 11). It may be fashionable to attack large corporations at every opportunity, but some sense of realism should be maintained.

The proposed deal cannot go through without British Government approval. The industry Secretary was informed by Chrysler's chairman and president on August 7, and will now doubtless take as long as he needs to consult, negotiate and decide he is discussing the proposed deal with union leaders as will Chrysler's management. Where is the lack of consultation?

From experience in negotiating acquisitions (though on a smaller scale) I can assure your readers that until an agreement is signed, you have no agreement. Negotiations between a willing buyer and seller are complex and can falter at any point.

What possible justification can there be, then, for starting discussions with unions and workforces before agreement is reached? Chrysler and Peugeot are to be congratulated for having kept their negotiations confidential so that announcements could be made at the same time in all the countries concerned.

Chrysler has obligations in France, Spain and the UK — indeed it produces two and a half times as many vehicles in France as in the UK. Can it be seriously believed that it could involve these three governments and sets of unions and managements in discussions while negotiations with Peugeot were proceeding and before they knew whether they had a deal or what its terms might be in detail?

Fortunately other union leaders seem to be taking a more realistic view than Clive Jenkins and James Prior's colleagues. B. A. Cole, Dr. Wood, Devonshire Avenue, Aylesham, Buckinghamshire.

### Businessmen on TV

From the Chief Executive, The Institute of Chartered Secretaries and Administrators.

Sir,—The reluctance of senior businessmen to appear on our screens undoubtedly frustrates Nicholas Faith (August 7) and professional business journalists on TV, but the superficial and in terms of business, inexperienced interviewers of yesteryear have that of his company, to so un-

not yet entirely been replaced certain an adventure as an and the new breed have inherited unplanned encounter on the box. The bridges will only be rebuilt if the programme producers spend more time with businessmen in working out frankly and honestly what points they want to make in the course of a programme or interview so that those views in writing than at defendant who are less experienced in public conversation do not feel so disadvantaged by subtle questions or prejudicial editing.

Obviously, the businessman is better at producing considered programme or interview so that those views in writing than at defendant who are less experienced in public conversation do not feel so disadvantaged by subtle questions or prejudicial editing. Chief executives in trade associations, trade unions, pressure groups, professional bodies and the like, some of whom are themselves experienced performers, have a job to do to help build more bridges between the reluctant businessman and TV. Perhaps the programme producers should use us more—Mr. Swinfield's approach (August 14) sounds promising. B. Barker, 16, Park Crescent, W1.

## Planning for energy and ethylene crackers

From the Chairman, NCB (IEA Services)

Sir,—The two articles on August 9 by Kevin Done, including "The bursting North Sea bubble" while admirable within their terms of reference, reflect a national inability to plan effectively, mainly because analysis is generally on too short a time scale and is too sectionalised. It is not possible to determine the ideal national development path solely by summing up the pros and cons of various sectoral working parties. Having kept their negotiations confidential so that announcements could be made at the same time in all the countries concerned.

Chrysler has obligations in France, Spain and the UK — indeed it produces two and a half times as many vehicles in France as in the UK. Can it be seriously believed that it could involve these three governments and sets of unions and managements in discussions while negotiations with Peugeot were proceeding and before they knew whether they had a deal or what its terms might be in detail?

Fortunately other union leaders seem to be taking a more realistic view than Clive Jenkins and James Prior's colleagues. B. A. Cole, Dr. Wood, Devonshire Avenue, Aylesham, Buckinghamshire.

produce or specialised chemicals. A country having our advantages in energy availability—and I include our nuclear power technology—ought to be able to arrange to benefit from them. Kevin Done shows how difficult it is to see our way forward from where we are. What is needed is some imagination to see where we want to be in 50 years' time and the determination, plus a national framework, to get through the difficult period of the next 10 years or so. Apart from the benefits internally, the development of a coal conversion industry sensitive both to alternative energy supplies and to ultimate markets would have a great export potential, which I believe incidentally will only be realised by full co-operation between all those able to make contributions.

Two good steps with regard to coal in this context have been made recently: The Coal Industry Act 1977, and the Coal Industry Tripartite Group Research and Development Working Party Report (Coal Technology: future developments and conventional mining in the United Kingdom). The former makes explicit the desirability of the development of chemical processes or methods which may lead to new or improved uses of coal or products of coal.

The time for turning coal into a vehicle which seems ideally suited, operation may not be acceptable to industry and to a come for two, three or four decades, depending mainly on the price developments for oil and gas. In the meantime, combined processes, which use only the most convenient part of the coal to produce the feedstock, with the other values used for heat, electricity or other gases, may become economic. Immediately it becomes clear that a much more sophisticated model of energy supply, distribution and end use will be necessary than is presently available and that all energy related industries, including those which produce materials, are affected by any optimisation process.

The other main aspect of the "comparativist" approach to industrial development is exemplified by thinking merely of upgrading the value of oil (or gas or coal) to primary or intermediate chemicals. The real most come from conversion into out, now that the industrial added value (and the new jobs) must come from conversion into finished products, agricultural

### GENERAL

London tube train workers to meet to consider strike action in protest at staff economies.

Australian Budget. Finance and steel buying mission begins visit to Australia.

Congressional hearing continues on assassination of Reverend Martin Luther King, Washington.

United Nations conference on Racism and Racial Discrimination continues, Geneva.

COMPANY RESULTS. Final dividends: Dale Electric International, Gresham Investment Trust, Louis Newmark Press, Tools: Reliance Knitwear Group, Wiggins Construction. ECU 1.15 pm.

Interim dividends: Lambert Group, Nottingham Manufacturing, Smith and Nephew Associated Companies.

COMPANY MEETINGS. Fleming (Robert E.), S. Crosby Square, EC 12, Royal Electronics, Charing Cross Hotel, WC, 11.45.

SPECIAL SERVICES. City workers' services: All Halls-by-the-Tower, Byward Street, EC3, 8.30 am and 1.10 pm.

hibition, Print Room Galleries, Victoria and Albert Museum, South Kensington, SW7 (until September 10).

## Today's Events

EXHIBITIONS

Henry Moore drawings, Tate Gallery, Millbank, SW1 (until August 28).

Heraldry in Britain from its 12th century origins, British Museum, WC1 (until August 27).

George Romney drawings, Kenwood House, Hampstead Lane, NW3 (until August 28).

Sir Gilbert Scott centenary exhibition, Print Room Galleries, Victoria and Albert Museum, South Kensington, SW7 (until September 10).

### BALLET

Gala Season, with stars of world ballet, Royal Festival Hall, SE1, 7.30 pm (until August 10).

### MUSIC

Henry Wood Promenade Concerts: BBC Symphony Orchestra in programme of Beethoven and Schumann, Royal Albert Hall, SW7, 7.30 pm.

Louise Zakarian (soprano) and Stewart Nish (piano) perform Armenian medieval songs, and music by Cherubini, Scarlatti, Purcell, Gershwin, Berberian, Kanachian and Komitas, Kensington Town Hall, Hornton Street, W8, 7.30 pm.

# Exciting aerospace projects!

## Are you up to them?

Westland Helicopters are about to start work on another exciting design and build project for a new large helicopter.

For this and our other new technology projects, we need high-flying, high calibre designers and engineers, avionics and electronics talents with a taste for the spirit of innovation at both our Yeovil and Weston-super-Mare locations.

These enormously exciting projects offer pioneer opportunities unavailable elsewhere in Britain.

For further information and confidential application form write to the: Director of Advanced Engineering, Westland Helicopters Limited, Yeovil, Somerset.

or, if you are at the Farnborough Air Show, why not call and see us at the Queens Hotel, Farnborough between 10.00 a.m. and 5.00 p.m. any day from Monday, 4th to Sunday, 10th September.

## Westland—worth working for!



July 1978

Caledonia Trust expands

Sun Alliance linked group

FAIR STAKE

HAM ID

minutes

LIMITED

## Financial Times Tuesday August 15 1978 Manchester Ship up £0.6m at half time

WITH GROSS revenue up from £11.72m to £13.01m taxable profit of Manchester Ship Canal Company jumped from £1.22m to £1.5m in the June 30, 1978 half year.

The result was after loan and investment income down from £244,000 to £238,000, and £13,000 surplus on the sale of land and interest of £244,000 (£249,000).

After tax of £355,000 (£378,000) and all other charges, profit came out at £577,000 (£588,000), and earnings per £1 share are shown at 21.2p (21.5p).

The interim dividend is maintained at 6.5p net and an additional 0.137p is to be paid for 1977 following the tax change. Last year a 9.08p final was paid on total profits of £2.12m.

Directors say that the increase in day-to-day expenditure was not as steep as last year and although it is still necessary to dredge the channel there has been a marked improvement in the available depth of water.

There were some industrial problems which began during the second quarter of the year and they hope that they will soon be able to resolve them.

## Wheeler's buying up freeholds

Mr. Bernard Walsh, chairman of Wheeler's Restaurants, tells shareholders in his annual report that the group acquired a further three freeholds in the March 31, 1978 year.

He says that when the group's restaurant leases run out it will face enormous rent revisions. "During the year, therefore, we have acquired the freeholds of 19-21, Old Compton Street, the Baganza Restaurant at 54-57, Erith Street and 17, Market Street, Brighton. We also own the freehold of our other Brighton premises plus our offices, and the shops which front on to Lisle Street."

"It is your Board's intention to pursue its policy of acquiring freeholds of other restaurants and properties as and when they become available."

Mr. Walsh says the group is still expansion minded and trying to buy new businesses, but

## HAT confident of better result

Mr. A. C. V. Telling, chairman of HAT Group, tells members in his annual statement he has no doubts that the current year will produce better results and he is confident that after two rather stagnant years, the group is now set to move forward again.

As reported on July 19 pre-tax profits for the year to February 28, 1978 slipped from £3.1m to £2.0m on turnover of £34.35m (£37.75m). Earnings per 10p share are down at 5.3p (7.6p) and the dividend is stepped up to 2.01p (1.80p).

Also proposed is a £1,000,000 three-year contract for the purchase of three new motor vehicles. Adverse weather conditions in January and February 1978 eliminated profits for those two months. Mr. Telling explains and prevented the completion of many contracts.

Better margins are now beginning to show, he says, figures for the 1978-79 year will be accounted on completed contracts.

Results for the first three months of the current year show a satisfactory increase. "The current year will show a good improvement and may well approach the 1977 result," the chairman states.

As a result of some management changes, the overall structure of the group is stronger and now stable enough for the directors to press ahead with their expansion plans, the chairman says.

Some of HAT's recent successes have been in merchandising and maintenance divisions which are being fostered and encouraged to expand as fast as possible.

Mr. Telling adds that there are encouraging signs of a general upturn in demand for group services which, he feels, bodes well for the current year.

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## ISSUE NEWS Chubb raising £13.8m by rights at 118p

Chubb and Son is to raise approximately £13.8m by way of a rights issue on the basis of five-for-four at 118p, payable in full on acceptance by not later than 3 pm on September 21.

The issue has been underwritten by County Bank and the brokers are Hoare Govett.

For the year to March 31, 1978, the directors are forecasting a gross dividend of 7.5p, an increase of 33.3 per cent. The Treasury has indicated that the context of the issue that content will be given for payment of such dividends, which at the current rate of tax represents 3.102p net.

Since the company's last rights issue in August, 1975, the activities of the group have continued to expand, as evidenced by the increase in turnover from some £13m for the year to March 31, 1976, to £28m last year.

It is the policy of the board to continue this expansion particularly electronics based products within the security industry.

Accordingly, the directors believe that it is desirable to raise additional permanent capital to provide an appropriately strong base from which to continue the group's future growth.

There is at present insufficient authorised ordinary share capital to implement the issue. An AGM will be convened for August 31 to consider a resolution to increase the authorised capital from £1m to £16m by the creation of an additional 20m ordinary shares.

Subject to the passing of the resolution and to the admission to the Official List by the Council of the Stock Exchange of the 12,143,750 new shares, it is intended that the new shares will be provisionally allotted to ordinary holders on the register at a close of the business on August 7.

The 116m shares involved have been placed with institutions at 87p a price which raised £10m gross for Birmingham.

Mr. Lacey said in his statement yesterday that Birmingham will not further reduce its holding.

The announcement regarding Rivington came only five days after it was learnt that Hamilton Bros had sold its 25.67 per cent stake in Yorkshire and Lancashire Trust, which was a subsidiary of Birmingham.

Capital expenditure as at February 28 amounted to £384,000 of which orders placed for £270,000 (£18,000) were accounted for £270,000 (£18,000) and further items approved but not committed, £80,000 (£240,000).

There was a decrease in cash balances of £1.75m against a £2.8m increase.

ANGLO-ORIENTAL PLANTATIONS  
The liquidator of Anglo Oriental Plantations states that the group's assets over final Malaysian tax liabilities, which are the Malaysian Island Revenue. In view of this it will not be possible to make any further distributions to shareholders.

KENNARDS DEB.  
The listing of Kennards' 4 per cent first mortgage debenture has been cancelled at the company's request.

The market capitalisation and shareholding position is such that an adequate market in the security cannot be maintained. The company is a subsidiary of Debenhams.

PORTALS/SULBY UNCONDITIONAL  
Acceptances of the recommended offer by Portals Holdings for Sulby Engineering Development Company have been received from holders of 98 per cent of the capital.

All conditions of the offer having been satisfied, it has accordingly become unconditional in all respects.

The total number of Sulby shares in respect of which acceptances have been received (including shares represented by acceptances which are not complete in all respects) is 3,166,000. The remaining 64,000, representing 2 per cent of the capital, are being retained by Mr. L. J. B. French, the managing director of Sulby, by agreement with Portals.

INVESTMENT TRUST CORPORATION  
Postfund Assets now owns 57.01 per cent of the ordinary and 95.25 per cent of the preference capital of Investment Trust Corporation.

ASSOCIATES DEALS  
Henry Schroder Wagg has purchased 47,000 Imperial Group 3.5p and 1,000 Rover ord at 1.5p on behalf of the company.

Laurence, Prust has bought 800 Lyons ord at 131p for a discretionary client.

Montagu, Lobbs, Stanley has bought 25,000 Tabby Minerals at 10p on behalf of Mining Investment Corporation. Also bought 10,000 Mining Investment Corp. ord at 34p on behalf of a discretionary client.

On August 10 they bought 30,000 Tabby at 86p on behalf of Mining Investment and bought 25,000

Bevifords-S. J. Schire, director sold 15,000 shares at 60p on August 8.

Aurora Holdings on August 8 LTC Pension Trust jointly with LTC Pension Investments was interested in 351,298 shares and Cornage Retail Managers Pension Fund in name of Barclays Nominees (Lombard St) in 40,000 shares. Imperial Group was also interested in these holdings.

Coral Leisure Group—B. Coral, director, disposed of 2,500 shares at 102p and 2,500 at 104p on August 7, 10,000 at 104p on August 8 and 5,000 at 105p on August 9.

A. F. Bulgin—Mr. R. A. Bulgin, a director, has sold 84,000 "A" non-voting ordinary stock units.

Cope Sportswear—Mr. G. M. Cope now holds 3,107,384 ordinary shares (13.57 per cent) having disposed of 100,000 shares on August 2.

Land Securities Investment Trust—Mr. F. P. W. Maynard sold 15,000 ordinary shares on July 31 and 15,000 ordinary shares on August 2.

# Unilever results

The Directors of Unilever announce the results for the second quarter of 1978 and for the first half-year.

## COMBINED RESULTS (£ millions)

Second Quarter		Increase/ (Decrease)	Half-year		Increase/ (Decrease)
1978	1977		1978	1977	
2,483	2,324	+ 7%	4,772	4,546	+ 5%
1,047	985		2,035	1,946	
1,436	1,339		2,737	2,600	
178.5	160.2	+11%	284.7	278.2	+ 2%
(1.4)	—		(1.4)	—	
19.2	15.0		36.0	28.4	
0.2	0.2		0.5	0.5	
(10.7)	(11.2)		(23.4)	(18.9)	
(11.3)	(11.1)		(22.2)	(22.6)	
8.6	(0.1)		(1.2)	3.7	
185.8	164.2	+13%	296.4	288.2	+ 3%
(83.0)	(74.0)		(133.7)	(135.6)	
(9.7)	(7.1)		(18.2)	(13.3)	
(1.1)	2.6		(1.3)	(0.6)	
—	—		(2.0)	—	
(7.2)	(7.0)		(10.4)	(10.2)	
(6.3)	(6.1)		(8.6)	(8.4)	
(9.9)	(9.9)		(1.8)	(1.8)	
84.8	78.7	+ 8%	130.8	128.5	+ 2%
2.1	—		3.2	—	
86.9	78.7	+10%	134.0	128.5	+ 4%
41.6	41.7		70.2	73.0	
45.3	37.0		63.8	55.5	
23.39p	21.19p	+10%	36.07p	34.60p	+ 4%

Exchange Rates  
As has been our practice the results for the quarter and the half-year and the comparative figures for 1977 have been calculated at comparable rates of exchange. These are based on £1 = Fl. 4.36 = U.S.\$1.91, which were the closing rates of 1977. Total Concern profit attributable to ordinary capital for the current quarter and the half-year has also been recalculated at the rates of exchange current at the end of June 1978 being based on £1 = Fl. 4.15 = U.S.\$1.86.

Results  
In the second quarter of 1978 total sales value was 7% higher than in the corresponding quarter of 1977. Of this about 4% arose from increased volume. As a result, volume for the first half of 1978 was nearly 2% higher than in the first half of 1977.

In Europe there was an increase in volume, and some improvement in margins for consumer goods. The results of the margarine, detergents and frozen products businesses were well up on the corresponding quarter of last year, including a contribution from better ice-cream sales in spite of unfavourable weather. However, trading conditions for the industrial groups remained difficult and their results were below those in 1977.

In North America profits for this quarter were higher than last year due to improved results from Lipton Inc.

The UACI group in total continued to show good results. In Nigeria, however, economic circumstances are worsening and the Nigerian Government has now had to take measures to deal with this situation.

The other overseas businesses as a whole did particularly well, both in sales and profits.

14th August, 1978

Unilever Quarterly Results are reprinted in leaflet form. If you wish to be included in the mailing list for these leaflets please write to: Information Division, P.O. Box 68, Unilever House, London EC4P 4BQ.

## Part of everyday life, in 75 countries.

## MOORGATE INVESTMENT COMPANY LIMITED

Year ended 31st May 1978

- Earnings up 25.2%
- Dividend up 25.0%
- Net Asset Value up 27.5%

Directors:  
Desmond A. Reid  
David M. McAlpine  
Brian A. C. Whitmee, F.C.A. (Chairman)  
Bryan R. Basset  
The Hon. Peter M. Samuel, M.C., T.D.  
James E. A. R. Guinness  
Anthony P. Simonian

## Extracts from the Chairman's Statement

**POLICY** Our policy continues to be to invest mainly in smaller companies and in companies where the market in the shares tends to be narrow.

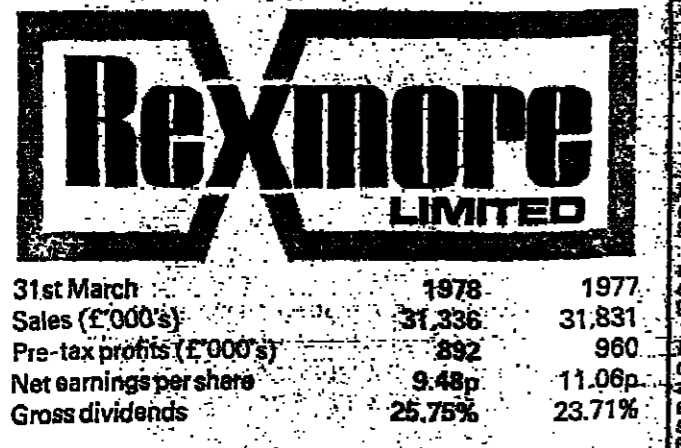
**REVENUE** Earnings are up from 3.245p to 4.064p per share. The dividend for the year is 3.82p per share against 3.055p per share for the previous year.

Dividends over the past three years have increased by 88.6%. We hope, as usual, to be able to raise the dividend for the current year.

**CAPITAL** The net asset value of the Company's ordinary shares rose by 27.5% to 104.9p per share. This performance compares with a rise of 16.3% in the F.T. All-Share Index and a fall of 5.9% in the Standard & Poor's Composite Index after adjusting for premium and exchange rate.

The net asset value has multiplied over four times from 1960 (when the Company was formed) to 31st May 1978, which compares with a rise in the F.T. 30-Share Index over that period from 322.6 to 478.8.

Copies of the Report and Accounts can be obtained from Philip Hill (Management) Limited, 8 Waterloo Place, London SW1 4AY.



**Rexmore LIMITED**

	1978	1977
31st March		
Sales (£'000's)	31,336	31,831
Pre-tax profits (£'000's)	292	960
Net earnings per share	9.48p	11.06p
Gross dividends	25.75p	23.71p

The first quarter's turnover is almost 20% ahead of the corresponding figures for 1977. Continued careful housekeeping has produced a very satisfactory base for the future.

Export sales advanced 49% during 1977/78.

A. ROSENBLATT, CHAIRMAN  
Designers, Manufacturers and Distributors of fabrics for  
Furniture, Manufactures, Furnishings Stores and  
The Household Textile Industry.



\_\_\_\_\_

FRANCE	
Discount Rate	9.5
Overnight	7.25
One month	7.6375
Three months	7.925
Six months	7.85
JAPAN	
Discount Rate	3.5
Call (three-month)	4.375
Bills Discount Rate	4.625



## INTERNATIONAL FINANCIAL AND COMPANY NEWS

U.S. move  
by Brown  
Boveri

By John Wicks

ZURICH, August 14

SWISS engineer BBC AG Brown et Cie, has acquired the control of the U.S. system industries division (CSIT) of Life Corporation of Massachusetts. The announcement comes only a few days after that of a joint venture between Brown Boveri and the U.S. undertaking Gould Incorporated in the field of equipment for the transmission and distribution of electricity.

Based in Santa Clara, California, CSIT is engaged in the development and manufacture of electronic systems for the control of electricity, oil, gas and water distribution. The \$6m division will become part of Brown Boveri Control System Incorporated.

Meanwhile, the cement industry holding company Holderbank Financiere Glarus AG announces the acquisition of Santee Portland Cement Corporation, of South Carolina, by its U.S. affiliate Dundee Cement Company.

The takeover of Santee, which operates a cement works of 10 million annual capacity near Charleston, increases the total capacity of the Dundee concern to more than 3m tons annually. Last year, overall installed capacity of the Holderbank group rose to 27.7m tons, with sales of some 22m tons. The Swiss group is one of three largest in the world cement industry.

Forwarding agents Panalpina Welttransport AG, has acquired the Houston-based Harle Group through its New York affiliate. The Harle services and shipping group operates mainly in the southern and south-western states. The company will continue operating under its present name and with present staff.

## Credit Suisse abroad

CREDIT SUISSE is to set up a representative office in Calgary, Canada, in the coming months, writes John Wicks from Zurich. This announcement follows a recent statement by another of the "big three" Swiss banks, Swiss Bank Corporation, that a Calgary branch is to open at the start of October. Credit Suisse is also shortly to establish a representative office in Abu Dhabi.

## New EOE series

The European Options Exchange will introduce a new series for Boeing Co. and Polaroid Corporation from tomorrow following recent price movements on the New York Stock Exchange, Reuters reports from Amsterdam.

The Boeing series will be November and February with an exercise price of \$80 and the Polaroid series October, January and April with an exercise price of \$60.

## FRENCH MOTOR COMPONENTS

## Lucas presses Ducellier bid

BY DAVID WHITE IN PARIS

THE question of British Government approval for the Peugeot-Chrysler deal gives Lucas Industries, the UK components manufacturer, the ideal opportunity to press a similar case with the French.

Lucas has been waiting since January for the French authorities to decide whether to allow the proposed takeover of a French-based electrical components business, Ducellier.

The British company already hold 49 per cent of Ducellier, have increased its stake last year from 40 per cent, and has agreed with Bendix, of the U.S., which holds the remainder, through its subsidiary, DBA, to take full control.

The deal is worth \$28m, a far cry from the \$430m Peugeot-Chrysler agreement, but Lucas is making the effort through diplomatic and other channels to have the two deals considered together as a trade-off.

As in the Chrysler deal, Lucas points out, it is a question of a U.S. interest being bought out by a European one. What is more, Ducellier carries with it none of the problems borne by Chrysler UK. It owes the Government no money, and there is no question of jobs being in doubt, as at Linwood. Lucas has already guaranteed that jobs will be increased, and has added the promise of doubling Ducellier's exports in the next 10 years.

Ducellier is relatively productive for a components company. Its net earnings last year were FFfr 28m (\$6.5m) on sales of FFfr 800m (\$187m).

Lucas, which had turnover last year of £124m (\$244m) in France, has been a major shareholder in Ducellier since 1980, helping to secure for the company a group. The French Government's interest is clearly vested in the company's business. The UK company has also Ferodo. It wants to help control inroads into other sectors, structuring a French-controlled company.

The objection has come from SEV-Marchal, a diverse group of French component companies, the controlling interest in which is shared 70 per cent by the leading French company in the sector, Ferodo, and 30 per cent by the West German Bosch group. The French Government's interest is clearly vested in the company's business. The UK company has also Ferodo. It wants to help control inroads into other sectors, structuring a French-controlled company.

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Repayments  
by Zaire  
Mining  
deferred

By Robert Wood

TOKYO, August 14

THE EXPORT-IMPORT Bank of Japan, a semi-Government body, and 15 private banks have deferred repayment of ¥23.8bn (\$125m) owed by Zaire Mining Development, a consortium of Japanese mining companies and Nippon-Iwai, the trading company to develop Zaire copper jointly with local businessmen.

Aside from the long-term depression in the world price of copper, Zaire Mining has suffered from the closing of the Benguela Railway through Angola, on which most of its products had been shipped. Recently it has been shipping its ore 3,400 kilometres through Zambia, Rhodesia, and South Africa to the port of East London. Though it hopes to divert shipments to the 2,070 kilometre Tazara Railway through Tanzania, and reduce expenses by cutting the size of its operations, its officials see no prospects for the elimination of its deficits while copper prices remain depressed. The company has also been hit by its borrowing being in yen while its sales are in dollars.

Zaire Mining was the first Japanese copper development company financed by the Japanese Export-Import Bank, established in 1969. The debt rescheduling comes at a time when Japan is hoping to reduce her balance of payments surpluses by encouraging new Japanese investments in mining concessions overseas through the Export-Import Bank. A similar debt rescheduling plan is reported to be under consideration for Mamut Mining Development, a company involved in joint venture copper development in the Sabah State of Malaysia. The troubles of these copper producers are, however, unlikely to affect plans for further Japanese mining investments, according to a banker, because new plans are centred on energy resources such as uranium and coal.

The largest stockholder in the Zaire venture is Nippon Mining, the largest stockholder in Mamut is Mitsubishi Metal.

Canon, the Japanese precision machinery manufacturer, raised its after-tax profit by 4.3 per cent to ¥3.25bn (\$17.1m) in the first half of this year from ¥3.1bn in the first six months of 1977. Reuters reports from Tokyo.

Sales increased by 10 per cent to ¥65.26bn (\$343m), from ¥59.32bn.

The interim dividend is unchanged, at ¥3.75.

Sharp reduction  
in IAC deficit

BY JAMES FORTH

SYDNEY, August 14

IAC (HOLDINGS), the finance group owned by Citicorp of the U.S., incurred an operation loss of \$3.7m (\$4.3m) in the June half year — a sharp reduction on the \$32m operating deficit in the first-half of 1977 and the \$51.5m for the full 1977 year.

The directors declared a net profit of \$125,000 for the six months after taking account of \$33.7m income tax benefit, of which \$31.68m represented an adjustment for 1976 realised foreign exchange losses. The net loss for the first-half of 1977 was \$317.8m, and for the full year \$528m.

IAC was one of a number of major Australian finance companies which were hit hard by the collapse of the property boom in 1973, which culminated in Citicorp buying out the minority shareholders last year, subject to a guarantee that the Australian public would be offered 25 per cent back again within 10 years of the acquisition.

The directors said that considerable progress had been made in sales of real estate, resulting in a further reduction of \$8m in the level of non-accrual loans in the latest half year. In addition sales of foreclosed properties amounted to \$56.5m, and deferred loans declined by \$82.3m.

At June 30 non-accrual real estate loans, after deducting \$89.75m to related provisions, amounted to \$1.0bn.

## Westfield earnings jump

BY OUR OWN CORRESPONDENT

SYDNEY, August 14

WESTFIELD, THE property group, raised earnings almost 33 per cent, from \$2.6m to \$3.5m in the year to June 30—the 18th consecutive increase in profit since joining the stock exchange lists.

The directors added that they expected to be in a position by the annual meeting, scheduled for November 27, to make a further announcement concerning their consideration of the re-dividend for the year is held at 10 cents a share and is covered by earnings of 35.14 cents compared with 26.55 cents in 1976-77.

Revenue from investments rose by 25 per cent to \$31.7m. The board said the increase came from all shopping centres in the group, a motel in Sydney, an office complex in Sydney and for the first time also reflected a full issue. The company has made 12 months' operations from the four such issues since 1970.

## Safmarine cuts dividend

BY RICHARD ROFFE

JOHANNESBURG, August 14

THE SOUTH AFRICAN national shipping line, South African Marine Corporation (Safmarine), has reported lower profits for the year to June 30, and has effected a sharp cut in its dividend from 22c to 17c. On turnover up from R191m to R217m (\$249m), the pre-tax profit figure is reduced by 35 per cent from R33.8m to R25.8m, and after provisions for taxation, nearly all of which is deferred, net profit is down from R22.2m to R18.4m (\$21.1m).

Earnings per share have fallen from 65 cents to 54 cents, or by 15.5 per cent, less steeply than the dividend. The Board says that this reduced dividend level is what "it is anticipated" can be maintained for the 1978-79 financial year. It also reflects a cautious view of trading prospects flowing from the depressed level of imports—though this has recently improved—and the introduction of the group's containerisation programme at an unfavourable time.

With the shares at 250c, undervalued so far on the results, the yield is 7.4 per cent. Safmarine is capitalised at R80m, but a year ago, forward commitments amounted to R325m for four cellular ships, two small bulk carriers and additional containers, some of which have since been delivered. The dividend cut comes after several years of 20 per cent compound dividend growth.

INITIAL DETAILS of a deal struck in Johannesburg raise the question of whether control of the stores group, Greatmans, has passed from the Herber family to a more broadly-based group consisting of the holding company Federale Chemiese, in the Sanlam Group, and three individuals of whom only one, Mr. Lawrence Herber, belongs to the family. Richard Roffe writes from Johannesburg. The other, Mr. Isaac Kaye and Mr. B. D. Miller, recently entered the Sanlam fold through the sale of their pharmaceuticals concern, Alumina, to SA Drugsists, an old Drayton Group company in which Federale Chemiese is a major shareholder.

It is not yet clear whether there has been a split within the Herber family or whether the deal has been achieved unanimously, but the shares of Griffon Holdings and Gresham Industries were suspended today pending a further announcement later this week.

## HK Shanghai Hotels gain

BY RON RICHARDSON

HONG KONG, August 14

NET PROFITS at Hong Kong and Shanghai Hotels, which has extensive interests in hotels and property here, and in Singapore and the Philippines, rose 77 per cent in the half-year to June 30 to HK\$26.2m (US\$5.6m).

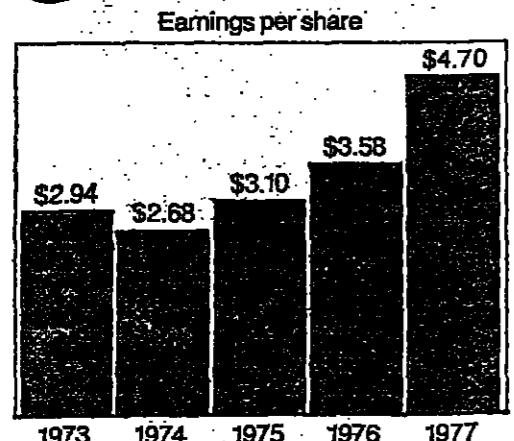
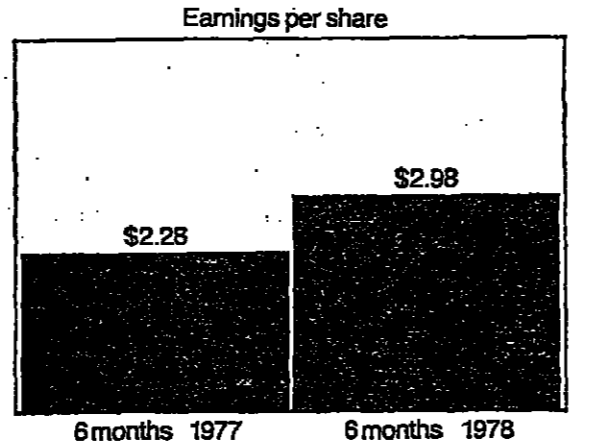
Directors caution that the profit rise should not be related directly to full-year earnings, as this includes rental income from a major apartment block development which was not occupied until the second half of last year. The Board believes that the company's hotel, catering and real estate interests will continue to earn higher profits in the current half, and as a result forecast that full-year consolidated profit will be about 40 per cent above the HK\$35.5m earned in 1977.

An interim dividend of 25 cents will be paid, compared with only 13 cents last time. However, directors say that the increase has been made in order to bring the interim and final payments more closely into line. The total dividend in 1977 was 50 cents. It is forecast that in the absence of unforeseen circumstances, the final dividend this year will be not less than 40 cents.

SECURITY Pacific Bank of Los Angeles and the Bank of Canton have ended discussions aimed at Security Pacific acquiring all the shares in the Bank of Canton which it does not already own, writes Ron Richardson from Hong Kong.

It was announced in June that discussions were taking place which might result in Security Pacific offering HK\$ 1 each for the outstanding new ordinary shares, and HK\$ 10 for the issued 12 per cent first preference shares and 6 per cent second preference shares.

Security Pacific owns 63.3 per cent of the issued 12 per cent first preference shares, 7.8 per cent of the 6 per cent second preference shares, and 69 per cent of the new ordinary shares. The respective Boards have been unable to reach agreement on the proposed move.

Security  
Pacific  
grows...and  
continues  
growing.

## Financial Highlights of Security Pacific Corporation

3 months ended June 30			6 months ended June 30			
	1978	1977	(%)	1978	1977	(%)
Net income	\$33,756,000	\$24,875,000	36	\$63,604,000	\$48,855,000	30
Per share						
Net income	1.58	1.17	36	2.98	2.29	30
Divid. paid	0.45	0.35	29	0.90	0.70	29
At June 30						
	1978	1977	(%)			
Assets	\$20,200,000	\$17,467,000	16			
Deposits	16,200,000	13,973,000	16			
Loans	12,900,000	10,438,000	24			

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- second quarter 1978 Economic Report
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## Trade figures mildly disappointing but Gilts and leaders above worst—Advance in Golds continues

These indices are the joint

### EQUITY GROUPS

#### GROUPS & SUB-SECTIONS

Figures in parentheses show number of

stocks per section	
1	CAPITAL GOODS (178)
2	Building Materials (27)
3	Contracting/Construction (27)

4 Electricals(14).....  
5 Engineering Contractors(14).....  
6 Mechanical Engineering(72).....  
8 Metals and Metal Forming(16).....  
CONSUMER GOODS  
11 (DURABLE)(52).....  
12 1- Electronics, Radio TV(15).....

13 Household Goods (12).....  
14 Motors and Distributors (25).....  
CONSUMER GOODS  
21 (NON-DURABLE) (175).....  
22 Breweries (14).....  
23 Wines and Spirits (6).....  
24 Entertainment, Catering, C&G.....

24 Entertainment, Catering (17)  
25 Food Manufacturing (21)  
26 Food Retailing (15)  
32 Newspapers, Publishing (13)  
33 Packaging and Paper (15)  
34 Stores (40)  
35 Textiles (25)

36 Tobacco (3).....  
37 Toys and Games (6).....  
41 OTHER GROUPS (38).....  
42 Chemicals (19).....  
43 Pharmaceutical Products (7).....  
44 Office Equipment (6).....  
45 Shopping (10).....

46	Miscellaneous (56)
49	INDUSTRIAL GROUP (495)
51	Oils (3)
59	500 SHARE INDEX
61	FINANCIAL GROUP (100)
62	Banks (6)

83	Discount Houses (10).....
84	Hire Purchase (5).....
85	Insurance (Life) (10).....
86	Insurance (Composite) (7).....
87	Insurance Brokers (10).....
88	Merchant Banks (14).....
89	Property (31).....

70	Miscellaneous (7)
71	Investment Trusts (50)
81	Mining Finance (4)
91	Overseas Traders (19)
99	ALL-SHARE INDEX (673)

FIXED INTEREST PRICE		
British Government	Mon. Aug.	Day's change
Consols	102 1/2	+ 1/2
4 1/2 per cent	102 1/2	+ 1/2
3 per cent	102 1/2	+ 1/2
2 1/2 per cent	102 1/2	+ 1/2
2 per cent	102 1/2	+ 1/2
1 1/2 per cent	102 1/2	+ 1/2
1 per cent	102 1/2	+ 1/2
3 months	102 1/2	+ 1/2
6 months	102 1/2	+ 1/2
12 months	102 1/2	+ 1/2
18 months	102 1/2	+ 1/2
24 months	102 1/2	+ 1/2
30 months	102 1/2	+ 1/2
36 months	102 1/2	+ 1/2
42 months	102 1/2	+ 1/2
48 months	102 1/2	+ 1/2
54 months	102 1/2	+ 1/2
60 months	102 1/2	+ 1/2
66 months	102 1/2	+ 1/2
72 months	102 1/2	+ 1/2
78 months	102 1/2	+ 1/2
84 months	102 1/2	+ 1/2
90 months	102 1/2	+ 1/2
96 months	102 1/2	+ 1/2
102 months	102 1/2	+ 1/2
108 months	102 1/2	+ 1/2
114 months	102 1/2	+ 1/2
120 months	102 1/2	+ 1/2
126 months	102 1/2	+ 1/2
132 months	102 1/2	+ 1/2
138 months	102 1/2	+ 1/2
144 months	102 1/2	+ 1/2
150 months	102 1/2	+ 1/2
156 months	102 1/2	+ 1/2
162 months	102 1/2	+ 1/2
168 months	102 1/2	+ 1/2
174 months	102 1/2	+ 1/2
180 months	102 1/2	+ 1/2
186 months	102 1/2	+ 1/2
192 months	102 1/2	+ 1/2
198 months	102 1/2	+ 1/2
204 months	102 1/2	+ 1/2
210 months	102 1/2	+ 1/2
216 months	102 1/2	+ 1/2
222 months	102 1/2	+ 1/2
228 months	102 1/2	+ 1/2
234 months	102 1/2	+ 1/2
240 months	102 1/2	+ 1/2
246 months	102 1/2	+ 1/2
252 months	102 1/2	+ 1/2
258 months	102 1/2	+ 1/2
264 months	102 1/2	+ 1/2
270 months	102 1/2	+ 1/2
276 months	102 1/2	+ 1/2
282 months	102 1/2	+ 1/2
288 months	102 1/2	+ 1/2
294 months	102 1/2	+ 1/2
300 months	102 1/2	+ 1/2
306 months	102 1/2	+ 1/2
312 months	102 1/2	+ 1/2
318 months	102 1/2	+ 1/2
324 months	102 1/2	+ 1/2
330 months	102 1/2	+ 1/2
336 months	102 1/2	+ 1/2
342 months	102 1/2	+ 1/2
348 months	102 1/2	+ 1/2
354 months	102 1/2	+ 1/2
360 months	102 1/2	+ 1/2
366 months	102 1/2	+ 1/2
372 months	102 1/2	+ 1/2
378 months	102 1/2	+ 1/2
384 months	102 1/2	+ 1/2
390 months	102 1/2	+ 1/2
396 months	102 1/2	+ 1/2
402 months	102 1/2	+ 1/2
408 months	102 1/2	+ 1/2
414 months	102 1/2	+ 1/2
420 months	102 1/2	+ 1/2
426 months	102 1/2	+ 1/2
432 months	102 1/2	+ 1/2
438 months	102 1/2	+ 1/2
444 months	102 1/2	+ 1/2
450 months	102 1/2	+ 1/2
456 months	102 1/2	+ 1/2
462 months	102 1/2	+ 1/2
468 months	102 1/2	+ 1/2
474 months	102 1/2	+ 1/2
480 months	102 1/2	+ 1/2
486 months	102 1/2	+ 1/2
492 months	102 1/2	+ 1/2
498 months	102 1/2	+ 1/2
504 months	102 1/2	+ 1/2
510 months	102 1/2	+ 1/2
516 months	102 1/2	+ 1/2
522 months	102 1/2	+ 1/2
528 months	102 1/2	+ 1/2
534 months	102 1/2	+ 1/2
540 months	102 1/2	+ 1/2
546 months	102 1/2	+ 1/2
552 months	102 1/2	+ 1/2
558 months	102 1/2	+ 1/2

		Age 14	Change %
1	Under 5 years.....	105.34	+0.00
2	5-15 years.....	115.79	+0.11
3	Over 15 years.....	122.03	+0.11

4	Irredeemables.....	128.65	-0.4
5	All stocks.....	113.81	-0.1

15	20-yr. Red. Deb & Loans (15)
16	Investment Trust Prefs. (15)
17	Com. and Ind. Prefs. (20)

† Redemption yield. Rights and loans issues. A list of the constituents is available from the Registrar of Companies, London, EC4P 4BY, price 13p, by post 20p.

ICI	350	25	10	17	90%	"	"
Land Secs.	180	60	6	62	—	—	238p
Land	500	41 1/2	—	46	—	—	—
Land Secs.	220	22 1/2	—	27 1/2	—	—	—
Land	240	10 1/2	33	15 1/2	—	20 1/2	—
Mark & Co.	60	30	—	31	—	39	87p
Mark & Co.	70	20	—	10 1/2	—	12	—
Mark & Co.	60	10 1/2	—	12	—	12	—
Mark & Co.	30	10	—	5	9 1/2	—	—
Shell	500	80	—	50	—	102	678p
Shell	610	41	—	2	—	39	—
Shell	600	12 1/2	—	20	—	—	—
Total		284		100.		7	

[illegible]

70.47	12.96	70.47	70.19	70.19	70.19	70.04	70.00	70.04	69.03
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Record, base data and values and continuous changes are published in Saturday  
 available from the Publishers, the Financial Times, Bruckes House, Cannon Street.

## AUTHORISED UNIT TRUSTS

## OFFSHORE AND OVERSEAS FUNDS

[illegible]

## INSURANCE AND PROPERTY BONDS

[illegible]

## NOTES

Prices do not include \$ premium, except where indicated, and are in pence unless otherwise indicated. Yields % (shown in last column) after all taxing expenses. A offered price includes all expenses. B Underwritten yield based on other price. C Estimated % to opening price. D Distribution from U.K. taxes. E Periodic premium insurance plans. A single premium insurance. F Offered price includes all expenses except agent's commission. G Offered price includes all expenses if bought through managers. X Previous day's price. Y Offered price includes capital gains unless indicated by Y. Z Guernsey group. S Suspended.



## FINANCE AND CREDIT—Continued

[illegible]

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## Retail sales reach peak, but industrial growth is patchy

BY DAVID FREUD

SPENDING IN the shops is now back at the peak levels of 1973, but the improvement in industrial production remains slow and patchy.

It is clear that the sharp rise in disposable income has been working through to consumer demand, but the effect on production has been dampened by increased imports.

The index for the volume of retail sales rose 1.7 per cent in July to 110.5 (1971=100, seasonally adjusted), according to provisional estimates released yesterday by the Department of Trade.

This is the highest level since November, 1974, and is above the average figure for the peak year of 1973, which was 110.3.

In the latest three months the index was 2.5 per cent above the level of February-April.

Retail sales in July were 5.4 per cent above the same month last year and the 5 per cent increase expected this year by retailers over 1977 as a whole looks likely to be exceeded comfortably.

However, retailers now believe that the major upsurge in spending is over. The sharp rise

INDUSTRIAL PRODUCTION			RETAIL SALES		
1970=100 seasonally adjusted			Value percentage change with a year earlier (not seasonally adjusted)		
All Industries	Manufacturing	Volume 1971=100 (seasonally adjusted)	1977 1st	2nd	3rd
1977 1st	103.4	105.5	1977 1st	103.3	+14
2nd	102.1	103.2	2nd	102.5	+13
3rd	103.0	104.0	3rd	104.3	+15
4th	102.4	103.4	4th	104.4	+13
1978 1st	103.5	103.8	1978 1st	106.3	+13
2nd	104.3	104.8	2nd	108.0	+15
Jan.	103.2	103.5	1978 Mar.	107.0	+15
Feb.	103.7	103.7	April	106.7	+16
Mar.	103.5	104.4	May	108.4	+15
Apr.	103.4	105.8	June	108.6	+14
May	103.3	103.6	July	110.5*	+15*
June	104.2	105.0			

Source: Central Statistical Office

\* provisional estimate

In personal disposable incomes, up 7 per cent in the year to this summer, is likely to begin to slow and higher electricity prices and mortgage rates will also tend to hold back further rises in spending in shops.

The increase in industrial production has been proceeding much slower than retail sales. The Central Statistical Office's

The picture emerging from the three-month totals, in which holiday factors cancel out, shows that output was only 0.8 per cent above the first quarter level in April-June. Manufacturing output was up 0.9 per cent.

The improvement in manufacturing remains patchy, underlining the findings of the Confederation of British Industry's survey of two weeks ago.

The Confederation said it was becoming increasingly likely that any increase in growth this year would not be reflected right through manufacturing industry. While there have been gains in chemicals, ferrous and non-ferrous metals, footwear and packaging, the trend in many other products, such as engineering, food, drink and tobacco and clothing had been flat or even pointing downwards.

## British Rail may increase fares by 10% in January

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

RAIL TRAVELLERS in London and the South-East will be spared higher than average fare increases when British Rail puts its prices up, probably by about 10 per cent in January.

This decision has been taken in principle by the British Railways Board, which yesterday issued for the first time a half-year financial statement showing an improvement in most areas of its business.

London commuters have suffered more than other rail users in the fare increases of last two years, as British Rail has responded to Government pressure to reduce the losses on London and South-East services.

In January, fares rose by 16.2 per cent in London, and by 14.6 per cent elsewhere.

A Price Commission report in February said that the policy of limiting the fare increases of London commuters was not justified by the cost-revenue figures collected by the Board. Later, British Rail accepted that it would not have until 1980 statistical justification

### Performance

The decision will be welcomed by the Government, whose prospects at the general election will depend upon performance in a number of marginal London constituencies.

Sir Peter Parker, British Rail chairman, did not go into detail about fares yesterday, but promised that the next rise would be substantially more modest than the last.

Its level would depend upon inflation, industrial peace and continued business buoyancy.

This buoyancy is strongest in Inter-City rail services, where business was up 8 per cent in the first half of the year, compared with the same period last year.

The effect of the 125 mph high-speed train has been particularly dramatic. Since its introduction on the London-South Wales run in October 1976, business has increased by 35 per cent.

Rail freight is on target to break even this year in spite of reduced traffic, after a series of heavy losses. But Sir Peter stressed the need for future productivity improvements.

British Rail's operating surplus pre-interest in the first half of the year was £30.5m, compared with £27.1m in the same period last year, but interest charges were slightly higher than in the previous year.

Sir Peter said that the passenger railway would operate within the Government's grant ceiling, set at £445m this year.

## Barker gives up groceries

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE FIRST casualty in the annual general meeting, said that static volume and low margins had rendered Oakeshott's very vulnerable. "Accordingly we have decided to withdraw from the grocery business," he said.

In addition, the company had decided to sell its wine importing business, Roger Grayson, whose principal customer was Oakeshott's. Negotiations are well advanced to dispose of this company," added Mr. Aitken.

Barker and Dobson, whose main interests are in confectionery as well as the 144-shop Lewis Meeson confectionery, tobacco and newsagent chain, hopes to limit the closure costs of Oakeshott's by selling the supermarket sites.

The costs of withdrawing from an operation of this nature are usually substantial but, as a result of the interest shown to date in the properties, your directors believe that in this instance the net cost to the group will be less than might have been anticipated previously," said Mr. Aitken.

## Spode stake bought by Royal Worcester

BY ANDREW TAYLOR

THE 200-YEAR-OLD Spode fine china business is to be sold to the British ownership after a 13-year link with Carborundum of the U.S.

Royal Worcester is to pay £2.5m cash for Carborundum's 45 per cent stake in Royal Worcester Spode. In addition, Royal Worcester, which owns the other 55 per cent of RWS, is to repay £1.7m of loans to Carborundum.

The deal, which is subject to Bank of England consent, has been made possible by the \$667m takeover of Carborundum by Kennecott Copper of the U.S. last year. This triggered a clause in the original agreement between Royal Worcester and Carborundum which allowed the British group to buy the outstanding minority in the event of a takeover.

The price placed by Carborundum on the minority had previously been a barrier to such a deal and Royal Worcester indicated yesterday that there had been some reluctance on the behalf of Kennecott to part with the Spode stake.

Two years ago Spode—which had been wholly owned by

Carborundum for ten years—merged with the china and tableware interests of Royal Worcester to form RWS.

Carborundum, one of the world's leading manufacturers of grinding wheels, pollution control equipment and refractories, had originally planned to sell Spode but had been unable to find a buyer at the asking price.

Mr. Peter McNally, Royal Worcester finance director, said yesterday that because of the uncertainty at Kennecott following the purchase of Carborundum—followed by moves by Curtiss-Wright to replace the existing Kennecott directors—the exercise is right to buy the 45 per cent holding.

He said that the price, valuing RWS at about £8.2m, was in line with the book value of the subsidiary Royal Worcester is to raise new medium bank loans of £3.4m to help finance the deal.

Meanwhile Carborundum's listing on the London stock exchange has been cancelled now that all its shares have been acquired by Kennecott.

## Post Office engineers to resume 'productive' talks today

By Nick Garnett, Labour Staff

UNION OFFICIALS and the Post Office will resume talks today in a bid to settle the engineers' dispute after yesterday's negotiations appeared to have made some progress.

Mr. Bryan Stanley, general secretary of the Post Office Engineering Union, said the talks were "quite productive."

The impact of the dispute continued to intensify with two major international exchanges virtually out of action and growing concern that inland calls could start being hit today.

The union has been seeking clarification on the staging of the reduction in the engineers' working week proposed in the report of Lord McCarthy, the industrial relations expert.

Under the proposals, the first stage of the reduction would be to cut the engineers' working week by no more than 1½ hours from the present 40.

The second stage would reduce it to 37½ hours.

The union is also anxious to establish the nature of manning changes laid down in the report as part of the productivity package to offset the cost of reducing hours. The changes would involve earlier starting and later finishing by some engineers to allow more jobs to be completed during the day.

Beyond that the union is looking for some form of Post Office commitment on negotiations towards a future cut in hours to 35, which is the union claim.

The Post Office said yesterday that the huge Faraday international exchange in London and its counterpart in Glasgow were now "virtually isolated" by the engineers' sanctions. This means that hardly any calls can be made through the exchanges. It is also virtually impossible to make calls to Mexico and Sri Lanka, because of the breakdown in circuitry.

Some of Britain's inland trunk telephone service might also be hit today. More than 700 engineers at the inland trunk section of the Faraday exchange went on strike yesterday after numbers had been sent home.

A backlog of repair work on circuits will now develop.

The union said that London's international switching centre at Stag Lane had recorded 33,000 calls on Friday which had failed to get through. The total value of these calls would have been about £125,000.

## Weather

UK TODAY

RAIN in most areas, cool.

London, S.E. Cent. S. E. Cent. N. N.E. England, E. Anglia, Midlands, Channel Isles, Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Highlands, Moray Firth, Rain, brighter and showery later. Max. 17C-20C (63F-68F).

S.W. N.W. England, Wales, Lakes, I. of Man, S.W. N.W. Scotland, Glasgow, Argyll, Rain, strong winds, cool. Max. 14C-17C (57F-63F).

N.W. Scotland, Orkney, Shetland, Rain, heavy at times. Max. 13C (55F).

N. Ireland, Showers, heavy and prolonged at times. Max. 17C (63F).

Outlook: Showery, becoming rather cool.

Belfast	C 17 03	Montreal	S 23 77
Belgrade	S 22 73	Moscow	F 12 34
Bombay	C 23 76	Manich	F 12 34
Buenos Aires	C 23 76	Mexico	S 21 76
Erzurum	C 18 64	Mexico C.	S 21 77
Brussels	P 21 70	New York	S 23 77
Budapest	F 17 65	Oslo	C 18 74
Cardiff	S 32 80	Paris	S 23 77
Calcutta	S 32 80	Perth	P 20 38
Chicago	P 19 66	Prague	F 14 37
Columbo	S 25 74	Rerikjau	A 14 37
Cologne	S 19 66	Rio de J'oro	C 20 68
Dublin	C 19 66	Rome	S 23 68
Edinburgh	C 19 66	Singapore	S 23 68
Frankfurt	C 20 68	Stockholm	R 21 54
Geneva	S 17 65	Sydney	C 14 37
Glasgow	S 17 65	Tel Aviv	S 23 68
H. Kong	S 23 84	Tokyo	S 23 60
Jaipur	S 23 74	Toronto	C 23 34
London	S 23 74	Vienna	S 23 72
Lisbon	S 23 74	Warsaw	C 18 34
Luxembourg	C 19 66	Zurich	C 12 63

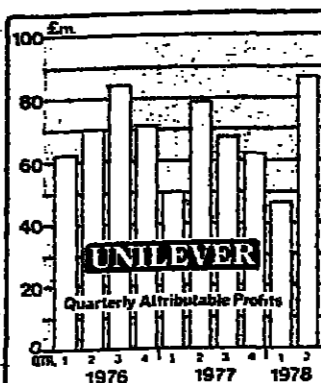
HOLIDAY RESORTS.			
	Y'day		Y'day
	midday	midday	midday
Alicante	S 25 77	Istanbul	F 25 77
Alexandria	S 31 88	Jersey	S 25 77
Barcelona	S 31 88	Las Palmas	S 25 77
Batumi	F 17 63	Locarno	S 22 72
Bordeaux	S 26 78	Majorca	C 28 84
Boulogne	F 15 61	Malaga	F 28 84
Casablanca	S 25 77	Malta	F 28 84
Cape Town	C 15 58	Nairobi	S 31 70
Dubrovnik	S 25 77	Nice	S 25 77
Faro	S 25 77	Rhodes	S 22 72
Genoa	S 25 77	Santorini	S 22 72
Gibraltar	S 25 77	Tanger	S 25 77
Gothenburg	S 25 77	Toulon	S 25 77
Hamburg	S 25 77	Valencia	F 28 84
Helsinki	F 18 64	Venice	S 22 72
London	C 18 64		
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C-Cloudy, F-Fair, S-Sunny, R-Rain.

THE LEX COLUMN

## European upturn for Unilever

Index fell 1.3 to 513.5



It is what happens after the election that the financial markets should be starting to think about. If the retail upturn continues to outpace domestic production the current relaxed attitude to the trade returns can hardly be sustained.

### Chubb

Chubb's £14m rights issue has been underwritten at a discount of just 15 per cent on the market price before the news, which may make other industrial companies think a bit after the lull in issue activity during recent months. Chubb has no pressing need for funds—total debt represented about two-fifths of shareholders' funds in the recent accounts—and it has no plans for any substantial new investment project. Yet spending has run ahead of cash flow in the past couple of years and Chubb wants to continue this expansion, particularly in the development of electronics based products.

Last year, electronic security accounted for £15m of group sales (over a fifth) and made a small loss. This stemmed from the acquisition of Gross Cash Registers, which lost £1.7m, and from a loss of £1m after development costs on cash dispensers. Diversifying into electronic systems is seen as a necessary step to sustain future growth, and Chubb is active in such areas as the development of microprocessors for use in burglar alarms and cash dispensers. It is also investing in the switch from electro-mechanical to electronic cash registers.

Moving further into the systems business will bring Chubb up against some of the biggest U.S. names. However, the group has a progressive profits record, makes a reasonable return on capital, and says that the current year has cut off to a satisfactory start after a flat performance in 1977-78.

This year's dividend is to go up by a third, so the shares—which normally command a premium in the stock market—stand on a prospective ex-rights yield of 5.9 per cent. The one grouse is that a group which has had three rights issues in seven years plainly must have some views about inflation accounting—but the subject was not even mentioned in the latest accounts.

### Trade figures

For the gilt-edged market, at least, the only economic statistics that are all predictable enough, in the latest accounts.

## A few words about Tokai Bank's expanding international operations.

As you might know, Tokai Bank is one of the leading banks in the world with over 15,000 employees and 200 offices established in Japan itself.

It probably doesn't surprise you we're modern, progressive, and one of the first banks in the world to utilize on-line computerization in our banking operations.

What may surprise you is our commitment to international banking.

At present we have over 20 offices and affiliates around the world, and we opened in Hong Kong.

Currently we're serving the world through loans. And also lending something as valuable as money. Financial advice gained through over 100 years of banking experience.

So don't just think of us as a Japanese Bank. Think of us as a bank that serves Japan and the world.

**TOKAI BANK**

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